

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In Re:) **Case No. 21-30085-hdh-11**
) Jointly Administered
NATIONAL RIFLE ASSOCIATION)
OF AMERICA, et al.,) Dallas, Texas
) April 7, 2021
Debtors.) 1:15 p.m. Docket
)
) TRIAL DAY 3 - AFTERNOON DOCKET
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE HARLIN DEWAYNE HALE,
UNITED STATES CHIEF BANKRUPTCY JUDGE.

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1 DALLAS, TEXAS - APRIL 7, 2021 - 1:15 P.M.

2 THE COURT: We'll go back on the record in the NRA
3 case.

4 Let me say, one thing that came up this morning. At
5 least from this point forward, if we're going to use
6 deposition clips, I think the deposition needs to be
7 unedited. I'm not casting aspersions on anyone. I think
8 maybe it was done for efficiency purposes. But I think, for
9 purposes of the record being complete, --

10 All right. Mr. Noall?

11 MR. PRONSKE: Your Honor, this is Gerrit Pronske. I
12 have one quick announcement, if I might?

13 THE COURT: Sure.

14 MR. PRONSKE: And that is I told the Court this
15 morning that we're not going to call Dr. Emily Harris. There
16 is a motion pending from the NRA that was filed yesterday to
17 exclude her testimony. And, obviously, us not calling her
18 moots that. And I think Mr. Garman and I reached an
19 agreement essentially that that motion is withdrawn.

20 MR. GARMAN: Yes, sir. Based upon her not being
21 called, we hereby withdraw the motion.

22 THE COURT: Thank you. So you think I just
23 shouldn't hear the two of you argue anyway; is that right?

24 MR. PRONSKE: I think we --

25 MR. GARMAN: I'm sure Mr. Pronske is going to be.

1 Not yet.

2 THE COURT: I appreciate that. We started working
3 on it, and I appreciate that. And I'm sorry, I don't know if
4 I said thanks, Mr. Pronske, this morning, when you gave me
5 the items of streamlining. I appreciate that, too. All
6 right.

7 MR. PRONSKE: You're welcome.

8 THE COURT: Mr. Noall?

9 MR. NOALL: Yes, Your Honor.

10 JOHN FRAZER, ACKERMAN MCQUEEN'S WITNESS, PREVIOUSLY SWORN

11 CROSS-EXAMINATION

12 BY MR. NOALL:

13 Q Mr. Frazer, can you hear me okay?

14 A Yes, I can.

15 Q Okay. Mr. Frazer, at what point did you first become
16 employed by the National Rifle Association in any role?

17 A In March 1993.

18 Q And prior to the time -- let me restate the question.

19 How long did you work for the National Rifle Association
20 after you began in 1993 and before you became a lawyer at the
21 National Rifle Association?

22 A So, to -- so, I became a lawyer while I was -- I attended
23 law school at night while I was working for the NRA. So, to
24 give the brief timeline, I worked at the NRA for about 11
25 years before beginning law school in 2004. Continued

1 attending law school until 2008. Was admitted to the Bar in
2 2008 and worked five more years at the NRA before I started
3 my private practice. So it was a full 20 years at the NRA
4 before I -- before I initially left.

5 Q Okay. And while you were working at the NRA before you
6 initially left, did you attend any board meetings?

7 A I attended board meetings. You know, I had several
8 different jobs during that time frame, but I attended board
9 meetings more or less regularly, depending on my job duties
10 at the time. I certainly attended, I think, all of them from
11 1994 to 1997. And then I attended them routinely -- pretty
12 routinely from '97 to 2004, when I was -- came back to more
13 of a management role. And then I think I attended them
14 consistently from about 2004 to the time I left, 2013. I may
15 have missed a few, but not many.

16 Q And with respect to the time that you were at the
17 National Rifle Association prior to the time you went to --
18 that you first left, and you mentioned your management role,
19 can you just describe to the judge the nature of those roles
20 -- or role or roles for him, to show your involvement at the
21 -- at National Rifle Association?

22 A Sure. From, well, pretty much exactly the first year
23 that I was there, it was an entry-level job, answering the
24 mail and the -- and phones, legislative questions from
25 members. It was in the Institute for Legislative Action.

1 Then from 1994 to 1997, I was -- I was an executive assistant
2 for the executive director of the Institute for Legislative
3 Action. In 1990 -- from 1997 to the beginning of 2005, right
4 after I started law school, I was a federal lobbyist. And
5 then from 2005 to I think 2007, I was deputy director of the
6 research and information division in Iowa. So that was where
7 I was most of my law school time. Then I was -- then I was
8 promoted to director of research and information, and I did
9 that until 2013, when I left to start my own firm.

10 Q And so during the time that you were employed by the NRA
11 but before your first departure, did you draft documents for
12 the National Rifle Association?

13 A I did. I worked pretty extensively on legislative
14 drafting, in particular, before and after attending law
15 school. I performed legal analyses related to legislation
16 and litigation issues as -- the research and information
17 division provides legal and factual support for the NRA's
18 Second Amendment advocacy, so we worked with the legal team
19 closely on that. And then -- and then occasionally stood in
20 or assisted with corporate legal matters, you know, to the
21 extent that they affected the Institute for Legislative
22 Action.

23 Q When you returned to the National Rifle Association to be
24 employed after you left for private practice, what was the
25 status of the Office of General Counsel?

1 A When I returned -- so, I was in private practice for a
2 couple of years, and then when I came back -- so, 2014, the
3 general counsel, longtime general counsel, had retired, and I
4 came back as his replacement with, at the time, six attorneys
5 in the office whom I supervised, and all long -- most of them
6 very longtime employees by that point already.

7 Q And so, at that time, including yourself, there would
8 have been seven lawyers or persons working in the Office of
9 General Counsel; is that correct?

10 A Yes.

11 Q Okay. And how many -- how many persons or lawyers are
12 working in the Office of General Counsel, including yourself,
13 today?

14 A Now it's six.

15 Q Okay. And with respect to the persons that are -- the
16 lawyers that are working with you in --

17 A Actually, correction. I'm sorry. It's actually seven,
18 but one of them is on medical disability at the moment.

19 Q Okay. With respect to the lawyers besides yourself
20 working in the Office of General Counsel, do any of those
21 lawyers have experience, apart and separate from your
22 experience, in the areas of tax or guidance to a nonprofit
23 entity?

24 A All of them, to some degree of another. My deputy
25 general counsel has been with the NRA for more than 30 years.

1 He is also the secretary of the NRA Civil Rights Defense Fund
2 and is familiar with CRDF -- excuse me, familiar with tax
3 issues from helping manage that 501(c)(3) entity. I also --
4 he also handled in-house quite a bit of litigation involving
5 New York law, involving board members at one time. We had
6 some controversies on the board.

7 We -- one of my assistant general counsels is also the
8 secretary of the NRA Foundation. He's familiar with federal
9 tax issues affecting nonprofits. And also for quite a while
10 he managed the NRA's charitable filing efforts.

11 And then pretty much everyone gets some exposure to these
12 issues just by virtue of working in the office. I think the
13 shortest-serving person that I have on the team now has been
14 there for I want to say 12 or 13 years at least.

15 Q And if I understand, you're responsible for supervising
16 all these in-house lawyers, correct?

17 A That's right.

18 Q And I suspect that, as a lawyer, do you have to -- if an
19 issue comes up, do you have to research the issue and solve
20 the problem? Do you still do that?

21 A I do, I do work on some issues directly, but I also
22 delegate to whoever I think is most suitable, who has the
23 appropriate expertise and the time. I have to manage
24 everyone's workloads, including my own.

25 Q And you're a member of the Bar in good standing; isn't

1 that correct?

2 A Yes, I am.

3 Q Okay. And you've heard quite a bit of discussion about
4 the Brewer fees, or -- during your direct testimony from Ms.
5 Stern and also from Ackerman. Do the size and scope of the
6 Brewer fees that you've been questioned about yesterday and
7 today, are they reflective of the importance of the matters
8 that the Brewer firm is handling for the National Rifle
9 Association?

10 A Sure. Sure. The fees are substantial, but it's
11 substantial because the firm does a lot of work, and we've
12 chosen to employ them for just many of our key issues, which
13 are closely interrelated.

14 Q Do you have discussions with lawyers at the Brewer firm
15 with respect to strategy concerning the matters that the
16 Brewer firm is handling for the National Rifle Association?

17 A Yes, I do.

18 Q Okay. Do you discuss the status of cases and matters
19 that are being handled by the National Rifle Association by
20 the Brewer firm?

21 A Absolutely.

22 MR. GRUBER: Your Honor, I'm going to object to
23 leading. We've kind of let it go in the preliminary, but
24 basically he's giving him the answers in each question.

25 THE COURT: Sustained.

1 BY MR. NOALL:

2 Q So, Mr. Frazer, tell me how you manage the -- handle the
3 case management with the Brewer firm on matters for which
4 you're not conflicted?

5 A Yes. I talk to -- I communicate with members of the firm
6 daily, including -- certainly including evenings and
7 weekends, and also -- you know, both in terms of updates on
8 current status. You know, they may request my input on a
9 decision that's being made. I may be on conference calls
10 with other NRA executives and them. And then also the
11 monthly billing cycle provides kind of a check-in on all of
12 the issues as I review the work that the firm has done and
13 ask questions about things that may not have been the top
14 focus day-to-day.

15 Q Okay. And are there any firms other than the Brewer firm
16 that the National Rifle Association delegates matters to that
17 you supervise?

18 A Yes. I work with -- I work with all of our outside
19 counsel. Either I or people in my office work with all of
20 our outside counsel that we -- that handle matters for the
21 NRA, outside of the Second Amendment and Firearms Law
22 advocacy that's it's handled by ILA.

23 Q And I don't know how to ask -- maybe I'll have to ask
24 this question differently, but do you -- can you tell me
25 approximately like the number of firms that may provide work

1 for the National Rifle Association, legal work for the
2 National Rifle Association besides the Brewer firm that your
3 office supervises?

4 A From small to large, including, for example, insurance --
5 like insurance-appointed counsel in some matters, I'm just
6 trying to think about ordinary course declarations, I want to
7 say, you know, eight to twelve, something like that.

8 Q Okay. And are those -- do you manage those firms'
9 handling of National Rifle Association matters the same way
10 you do as the Brewer -- you do with the Brewer firm?

11 A Yes, although the -- although the scope, size, and
12 frequency may be different. And for some of them that are
13 handling -- you know, they're on-call for routine corporate
14 matters, we may not have a question for them that often. If
15 it's a litigation matter that I've delegated to one of my
16 staff, they may have the primary interaction. But I think
17 the management of all the firms is consistent.

18 Q Okay. And how do you determine whether to maintain a
19 matter in-house or to refer it to out-of-house counsel?

20 A It's a matter of, usually, a couple of factors, expertise
21 and scalability, as well as jurisdiction. Obviously, if we
22 have something that's out of -- that's going to be a
23 significant litigation matter out of state, that may not be
24 efficient for one of my attorneys who's not admitted in that
25 state to handle if you have to retain outside counsel anyway.

1 If -- and then other things will be -- you know, it'll just
2 depends on whether people in-house have the time and
3 expertise. And if they don't, we'll usually go to outside
4 counsel, too, that we have some relationship with and look
5 around.

6 Q And with respect to the matters that the Brewer firm has
7 been handling, how would you characterize those matters as
8 compared to matters handled by your other outside counsel?

9 A The matters that the Brewer firm has been handling are
10 the matters that have the farthest -- the biggest reach in
11 terms of impact on the NRA, and they're also ones that are
12 typically closely related. They arise from, you know, maybe
13 -- in speaking of litigation matters, for example, they may
14 involve different party opponents but they'll often come from
15 -- share some common facts or arise from the same
16 investigations.

17 Q Thank you. I want to turn to the January 7th board
18 meeting for a minute -- or, excuse me, the March 28th board
19 meeting for a minute -- the board meeting held just a couple
20 weeks ago. At that meeting, the testimony has been that it's
21 an in-person meeting and that you were present. Do you
22 recall that?

23 A Yes.

24 Q And you recall that Ms. Stern directed you to NYAG
25 Exhibit 10, which were the bylaws of the National Rifle

1 Association?

2 MR. GRUBER: Objection. Leading.

3 MR. NOALL: Okay.

4 BY MR. NOALL:

5 Q And --

6 THE COURT: I overrule on that one. You may answer
7 the question, sir.

8 THE WITNESS: Yes, I do recall that.

9 BY MR. NOALL:

10 Q And was the -- was the -- was conducting the meeting in
11 person permitted by the bylaws, in your view, as counsel for
12 the National Rifle Association?

13 A Yes. I think that conducting a meeting in person is
14 always allowed. And electronic meetings were created as an
15 option, and further refined as an option in some recent
16 amendments, for use in situations where an in-person meeting
17 just is impossible or impractical.

18 Q Does the National Rifle Association have a
19 parliamentarian?

20 A Yes, we do. We have -- we use different people depending
21 on availability recently, but our primary parliamentarian has
22 been with us for quite a few years, predating my time as
23 secretary and general counsel.

24 Q And who is that?

25 A His name is Thomas Balch (phonetic). He's one of the

1 editors of *Robert's Rules of Order*.

2 Q And what is the role of the parliamentarian?

3 A We typically will consult with him before, during, and
4 after board meetings to make sure that we're in compliance
5 with our parliamentary authority, *Robert's Rules*. So I'll
6 typically consult with him before a meeting, as we're
7 considering agendas, drafting the meeting notice, if there's
8 anything unusual about that. Work with him to understand the
9 steps that have to be taken to ensure that decisions are
10 properly made and recorded. And then during the meeting, he
11 advises the presiding officer, typically the president or one
12 of the vice presidents, on issues as the meeting progresses.
13 And then sometimes we'll consult with him after the meeting
14 about the -- how things should properly be recorded in the
15 minutes, for example.

16 Q Okay. And is the parliamentarian of the National Rifle
17 Association or a parliamentarian always present during a
18 board meeting?

19 A Yes.

20 Q Okay. And with respect to the meeting that was held on
21 March 28th, the testimony was there was a roll call vote. Do
22 you recall that?

23 A Yes.

24 Q Okay. Why was there a roll call vote, Mr. Frazer?

25 A Under our bylaws, if 20 percent of the board members

1 request a roll call vote, then a vote -- on a matter, then a
2 roll call vote will be taken and recorded in the official
3 journals. That's our four magazines that are published to
4 our members.

5 Q Did 20 percent request a roll call vote at the meeting on
6 March 28th?

7 A Easily, yes.

8 Q Okay. You took some questions or had some questions
9 directed to you about Mr. Steve Hart. Do you believe that
10 Steve Hart's firing had anything to do with retaliation by
11 the NRA?

12 A I think that there were -- I'm going to speak advisedly,
13 as a -- as a -- to avoid getting into privileged matters.
14 But no, I don't think it had to do with retaliation for any
15 financial concerns that were raised, as was asked in the
16 previous question.

17 Q And you also were questioned a bit about Josh Powell; do
18 you remember that?

19 A Yes, I do.

20 Q Okay. Does Mr. Josh Powell work for the National Rifle
21 Association today?

22 A Not anymore, no.

23 Q Do you understand that Leticia James has described the
24 National Rifle Association as a terrorist organization?

25 A Yes, I do.

1 MS. STERN: Objection.

2 BY MR. NOALL:

3 Q Okay. And do you believe that she wants to dissolve or
4 otherwise shut down the National Rifle --

5 MS. STERN: I'm sorry, I'm sorry to interrupt. I
6 assert an objection to that last question. I don't know if
7 the Court heard it.

8 THE COURT: I did hear it.

9 MS. STERN: I'm sorry, Your Honor. I think maybe it
10 was transitioning from the mute. I object to that last
11 question.

12 THE COURT: What's your objection?

13 MS. STERN: It's hearsay, Your Honor.

14 THE COURT: Overruled. I think it might be a party
15 admission.

16 BY MR. NOALL:

17 Q You can answer the question, Mr. Frazer.

18 THE COURT: It's already been answered. She was
19 referring to the last question.

20 MR. NOALL: Okay. So, --

21 THE COURT: Could you ask the pending question again
22 for the witness?

23 BY MR. NOALL:

24 Q Do you believe, Mr. Frazer, that Ms. James desires to
25 dissolve or otherwise shut down the National Rifle

1 Association?

2 A Yes. It's in the prayer for relief in her complaint.

3 Q Okay. Do you believe, as general counsel, that the New
4 York Attorney General's position with respect to the National
5 Rifle Association may result in continuing -- a continuing
6 legal assault on the NRA in the state of New York?

7 MR. GRUBER: Your Honor, I object to leading.

8 THE COURT: Sustained.

9 MS. STERN: And I object on the grounds it's
10 hypothetical, Your Honor.

11 THE COURT: Sustained on leading.

12 MR. NOALL: Okay.

13 BY MR. NOALL:

14 Q So, with respect -- Mr. Frazer, with respect to the
15 position of the New York Attorney General, does that give you
16 any concerns that you need to take into consideration with
17 respect to leading or otherwise providing advice to the
18 National Rifle Association concerning its location in New
19 York?

20 A So, for me personally, --

21 MS. STERN: Objection, Your Honor. The question is
22 vague and unclear.

23 THE COURT: Would you restate your question? I
24 think you're also still leading, Mr. Noall.

25 MR. NOALL: Okay.

1 BY MR. NOALL:

2 Q Mr. Frazer, does the legal position or Ms. James's
3 positions with regard to the NRA raise any concerns with you
4 concerning the National Rifle Association being located in
5 New York?

6 A Yes.

7 Q Okay. And why?

8 A Because -- because as long as we're located in New York,
9 we could be subject to similar types of attacks.

10 Q Mr. Frazer, on cross-examination, the New York Attorney
11 General through Ms. Stern discussed a case between the NRA
12 and Ackerman McQueen that was pending in the Northern
13 District of Texas, I believe. Do you recall that?

14 A Yes.

15 Q And I believe your -- the testimony was that the lawsuit
16 that was pending in the Northern District of Texas was filed
17 without your knowledge. Is that correct?

18 A Not quite. The one that was filed without my knowledge
19 was the initial books and records inspection lawsuit that was
20 filed in the circuit court of Alexandria, Virginia. But
21 that's been stayed pending resolution of a later-filed case
22 in Texas, which was filed with my full knowledge.

23 Q Since the filing of the books and records lawsuit, have
24 you been involved in the oversight of the NRA's Ackerman
25 litigation?

1 A Yes, I have.

2 Q Do you review the legal bills associated with that
3 litigation?

4 A Yes, I do.

5 Q Do you review the draft briefs associated with that
6 litigation?

7 A I review the most significant draft briefs. There
8 obviously is a lot of sort of ancillary motion practice that
9 goes on in a complex case like this, but the key briefs, yes.

10 Q And do you discuss litigation strategy with your out-of-
11 house lawyers regarding the Ackerman litigation?

12 A Yes, I do.

13 Q Okay. Is there just one attorney at the Brewer firm that
14 you discuss the case with, or are there others?

15 A The -- for the Ackerman litigation, I discuss it
16 primarily with Mr. Brewer, or sometimes Ms. Rogers.

17 Q Okay. You testified, I believe, that you weren't
18 surprised that the NRA sued Ackerman. Why not?

19 A Because -- you're referring to the initial books and
20 records inspe... books and records lawsuit. I wasn't
21 surprised at all because I had been personally involved for
22 at least seven months, I think, probably longer than that, in
23 correspondence to Ackerman, demanding that they comply with
24 their contractual obligations to let us inspect their books
25 and records.

1 Q Thank you. There was some testimony right at the end of
2 this morning regarding the appointment of a receiver. Do you
3 recall that?

4 A Yes.

5 Q Do you believe that the appointment of a receiver would
6 have an effect upon the NRA's fundraising?

7 A Yes.

8 Q Okay.

9 MR. NOALL: I'll pass the witness, Your Honor.

10 THE COURT: Thank you. Mr. Drake, before you -- I
11 think you're the next person to question. I have my lift
12 stay docket that is also set and we're stepping on it. So if
13 you all will just pause in the NRA and let me call that
14 docket, and then we'll go back to Mr. Drake asking questions.
15 You can just stay on where you are.

16 (Off the record, 1:43 p.m. until 1:57 p.m.)

17 THE COURT: All right. Back on the NRA now. And I
18 apologize for having to do this short stay docket.

19 Mr. Drake, I believe that you had indicated that you were
20 going to ask Mr. Frazer some questions?

21 MR. DRAKE: Yes, Your Honor. I'm prepared to go
22 forward if the Court's ready.

23 THE COURT: I'm ready. And I see Mr. Frazer on my
24 front screen, so I think he's ready, too.

25 CROSS-EXAMINATION

1 BY MR. DRAKE:

2 Q Mr. Frazer, I assume that you're aware that certain
3 parties are asking this Court to appoint a Chapter 11 trustee
4 in this case?

5 A Yes, I am.

6 Q Are you familiar, generally, with the allegations made by
7 the Movants who are seeking the appointment of a Chapter 11
8 trustee?

9 A Yes, I am.

10 Q Are many of the factual allegations made in support of
11 those trustee motions similar to allegations made by the New
12 York Attorney General in the New York litigation?

13 A Similar, if not identical.

14 Q I believe you testified earlier, has the NRA investigated
15 -- they've done an investigation into the allegations made by
16 the New York Attorney General?

17 A Yes, sure, both in connection with the defense of the
18 case and also because many of them, in fact, are things that
19 came to light through our own prior investigative efforts as
20 part of the course correction since 2018. 2017-2018.

21 Q Mr. Frazer, when, then, did the NRA first begin
22 investigating its internal governance and compliance with
23 respect to the allegations that the NRA was not in compliance
24 with New York nonprofit laws?

25 A Sure. Well, obviously, we've always wanted to improve

1 and enhance our compliance efforts. So, going back to my
2 earliest times as general counsel, we started -- started some
3 projects on that front. But then we really kind of
4 formalized it beginning in 2017 after the phone call from
5 Attorney -- then-Attorney General Schneiderman.

6 Q That was actually going to be my next question, which
7 was, what prompted the NRA to do that investigation? Was it
8 anything other than the call from Mr. Schneiderman?

9 A Well, no, you know, we always want to be a good corporate
10 citizen, good charitable citizen, and so we had done --
11 started doing quite a few things before that. But then that
12 really prompted us to consider the options for both
13 compliance with New York law and potentially for re-
14 domestication elsewhere as a goal.

15 Q Did you, Mr. Frazer, have personal involvement with
16 implementing any of the steps the NRA took to address these
17 allegations?

18 A Yes, I did.

19 Q Could you please describe what type of efforts the NRA
20 implemented in order to address some of these allegations,
21 beginning in 2017?

22 A Sure. Well, beginning in 2017, we continued some of our
23 internal disclosure and -- internal disclosure initiatives
24 that had begun earlier with the creation of a new, more
25 comprehensive, more robust disclosure form and enforcement of

1 that. So we're now, you know, we've gone from, I think, 80-
2 some percent return rate among board members to well over 90
3 percent, mid to high 90s. And with addressing any issues
4 that are raised, cross-checking the accuracy of those forms,
5 bringing any potential matters that required Audit Committee
6 review before the Audit Committee, bringing matters to
7 outside counsel where appropriate, investigating --
8 investigating any concerns raised internally by staff, either
9 -- either personally, in some cases, or in conjunction with
10 outside counsel. And then, of course, all of the financial
11 -- financial control changes that you may have heard about or
12 -- I'm not sure what you've heard about them, but you may
13 have heard about in terms of contract -- contract management,
14 greater transparency within the organization on invoicing and
15 financial records, and generally making sure that our
16 existing internal controls are strengthened where needed or
17 better-enforced where appropriate.

18 As I testified, I think, yesterday, no organization is
19 ever a hundred percent perfect or probably ever going to be a
20 hundred percent perfect, but as -- you know, one of our past
21 presidents used to quote Bear Bryant, If you strive for
22 perfection, you'll, you know, you'll achieve -- you'll
23 achieve greatness.

24 Q What was done with respect to contract management, Mr.
25 Frazer?

1 A Sure. We try to make -- we've taken a lot of steps to
2 ensure that -- mainly -- a lot of them are just in the forms
3 of -- form of reminding people that when contracts are
4 executed, copies need to be retained, need to be provided to
5 the financial services division so that financial services
6 can make sure that payments are made pursuant to a properly
7 executed, properly approved contract. And we're looking at
8 some further steps that can be taken to provide additional
9 layers of safeguards on that front.

10 Q What actions did the NRA take with respect to its vendor
11 relationships?

12 A So, in 2018 in particular, we looked really closely at
13 the vendors, I would say from top to bottom, top being the
14 highest paid, down to the small vendors, just trying to
15 determine whether the Association was getting good value from
16 those vendors and also trying to make sure that the vendors
17 provided us appropriate documentation for reimbursement that
18 was being made.

19 We sent out letters -- I think we saw some of them
20 yesterday -- to, I want to say, well over a hundred or maybe
21 hundreds of vendors, reminding them of the need to properly
22 document out-of-pocket expenses. And we've actually carried
23 that forward with incorporating a reimbursement documentation
24 policy into contracts with many, if not all, vendors going
25 forward.

1 Q What actions did the NRA take with respect to expense
2 reimbursement?

3 A We've done a -- we've done a number of things. For one
4 thing, we -- we withdrew a lot of the American Express cards
5 that were in use at one time, so that some of those -- some
6 of those employees who didn't have need to travel a lot, for
7 example, would simply use personal cards and seek
8 reimbursement. And obviously, the incentive there falls on
9 the employee to make sure that they're providing good
10 documentation. And then the -- and then for other employees,
11 we started using a Wells Fargo credit card that uses an
12 online review and approval portal. It provides, as I
13 understand it, more accessibility, transparency, and ability
14 to scrutinize the charges.

15 Q Earlier today, Ms. Stern and Mr. Gruber asked you about
16 some compliance training programs you led. Could you just
17 briefly describe what is involved in that training program?

18 A Sure. So, we conducted three sessions to date. And, you
19 know, it's been challenging to try to continue that during
20 COVID, due to layoffs and furloughs that we had to -- to deal
21 with the impact of that, as well as the obvious technological
22 issues. But we've conducted -- we conducted three of those
23 seminars in 2018, 2019. And the focus there, I think -- I
24 think what we saw in one of the exhibits was the table of
25 contents for the slide deck, and I think it was about an hour

1 and a quarter presentation in all, hour, hour and a quarter
2 presentation, reminding people of the key laws that govern
3 the NRA's operations, the key internal policies, the sign-off
4 procedures that need to be addressed, the very specific
5 requirements with respect to related-party transactions and
6 conflicts of interest, and very importantly, the protections
7 that apply to whistleblowers.

8 This all predates the update to our whistleblower policy,
9 but we were training on -- training people on -- on the
10 protections that they, as employees, would enjoy as potential
11 whistleblowers back, you know, going back to the summer of
12 2018.

13 And it closes with a number of hypothetical case studies
14 to help people really engage with the material and to
15 understand how what mind be kind -- look like dry or arcane
16 rules would apply in the real world in the context in which
17 an employee may have to deal with an issue.

18 Q Do you believe the training programs have helped improve
19 the NRA's compliance?

20 A Yes. And to support that, I'll just say I get questions
21 pretty routinely about specific -- about specific issues that
22 we covered in those training sessions that no one ever asked
23 or rarely asked prior to that time period. You know, I
24 recall a conversation I had last week before I came down here
25 to Texas about the, you know, what's required for contract

1 renewal under certain circumstances, for example.

2 Q Mr. Frazer, I'd like to kind of shift gears and talk a
3 little bit about the questions Mr. Gruber asked you this
4 morning about being in New York and the NRA's strategy to
5 leave New York.

6 What is your personal opinion, Mr. Frazer, as to whether
7 there are leaders in the state of New York that have
8 demonstrated a hostility towards the NRA?

9 A I think their words are on the record. I think you have
10 numerous statements from Attorney General James, during and
11 after her campaign, and after the commencement of the New
12 York AG enforcement action, that express her disdain for the
13 NRA. And, you know, I say this as a native New Yorker
14 myself, but it's -- you know, New York is not what it used to
15 be in the 1870s.

16 Q Did you have concerns about the NRA being in New York
17 prior to the New York action being filed in the fall of 2020?

18 A Yes. And even prior to 2017. And I'm also aware, from
19 having attended, you know, board meetings more or less
20 regularly back to the mid '90s, that it was even discussed
21 back then.

22 Q Has the New York litigation been costly to the NRA?

23 A Yes, although I, you know, I only kind of see the top
24 line of the legal bills. But -- you know, because of my
25 status as a defendant. But I'm aware that preparing for it

1 and pursuing it has been costly.

2 Q What impact, if any, has the New York AG litigation had
3 on the -- just the general operations of the NRA?

4 A It's --

5 MS. STERN: Objection, Your Honor. That question is
6 vague and ambiguous.

7 THE COURT: Do you want to restate?

8 BY MR. DRAKE:

9 Q Yeah, Mr. Frazer, has the New York litigation had any
10 impact on the day-to-day operations of the NRA?

11 A Yes, it has.

12 Q And what has that impact been?

13 A It's caused staff and officers to spend a lot of time
14 dealing with that litigation that could have been spent on
15 more core functions of the organization.

16 Q Has the New York litigation had any impact, in your
17 opinion, on the public perception of the NRA?

18 MS. STERN: Objection, Your Honor. Again, vague and
19 ambiguous.

20 THE COURT: I sustain it.

21 BY MR. DRAKE:

22 Q Mr. Frazer, are you aware of any other impact the New
23 York litigation has had on the NRA?

24 A Yes.

25 Q And what is that?

1 A Negative publicity, among other things. People read the
2 media headlines and they sometimes take allegations as fact,
3 unfortunately.

4 Q Do you have an opinion, Mr. Frazer, as to how the
5 political environment in the state of Texas is for the NRA as
6 compared to New York?

7 MS. STERN: Objection, Your Honor. Again, vague and
8 ambiguous.

9 THE COURT: Overruled on that. You may answer the
10 question, sir.

11 THE WITNESS: Thank you, Your Honor. The political
12 environment in Texas is like night and day to New York. The
13 political environment in Texas is very friendly. Texas
14 officials have been very encouraging, including the Texas
15 Attorney General, have been very encouraging in their support
16 of the NRA's potential reincorporation and potential physical
17 relocation to Texas.

18 Texas is obviously -- you know, nearly 10 percent of our
19 members are in Texas. Texas is home of, I think, two of the
20 five viable sites for NRA annual meetings these days, due to
21 the size of those events. There are only a limited number of
22 places we can have them. Just a lot of -- a lot of favorable
23 reaction within Texas.

24 MR. DRAKE: We'll pass the witness.

25 THE COURT: Thank you. I have a couple of questions

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1 of Mr. Frazer. I think it's appropriate for me to do them
2 now, because the lawyers get to cross as to my questions,
3 too. I'll be very short.

4 EXAMINATION BY THE COURT

5 THE COURT: Mr. Frazer, yesterday you were talking
6 briefly about the claim that Mr. Cox has asserted in the
7 arbitration, and you said that the claim was \$2 million in
8 contractual damages, I think you said. Am I right on that?

9 THE WITNESS: Yes, Your Honor. That's related to
10 the payments that he believes he would be entitled to.

11 THE COURT: And does he have other claims besides
12 the \$2 million?

13 THE WITNESS: I think he has some damages -- I think
14 he has some damages claims, Your Honor. But I'd have to
15 review the pleadings to spell those out.

16 THE COURT: Okay. And second, could you look at New
17 York Attorney General Exhibit 285, which is the set of Brewer
18 statements? Just let me know when you get there.

19 THE WITNESS: 285? Yes, Your Honor.

20 THE COURT: Could you go to the last statement in
21 the stack, which is January 14, 2021?

22 THE WITNESS: Yes, Your Honor. I have it.

23 THE COURT: Okay. So, I was just curious. If you
24 remember, 354 is the statement that had the wrong year on it
25 that I think you and Mr. Gruber visited about, and that was

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1 January 4. So we're talking about a second statement that
2 you got just in the same month. Is it unusual to get a
3 statement from the Brewer firm in the middle of the month
4 like this?

5 THE WITNESS: The billing is usually monthly, Your
6 Honor.

7 THE COURT: Uh-huh. And so when this came in on the
8 14th, which is the day before the bankruptcy case was filed,
9 how was it handled?

10 THE WITNESS: I reviewed it and forwarded it for
11 payment.

12 THE COURT: And were funds then wire-transferred to
13 Brewer?

14 THE WITNESS: Your Honor, I'm afraid I don't recall
15 how our -- how we pay. Some -- we pay some vendors by wire
16 transfer, some by ACH, some by check.

17 THE COURT: Uh-huh. And since this was unusual,
18 getting two statements from them, did you talk to them and
19 ask them -- I don't want any privileged things, but did you
20 ask them why you got another statement so quickly?

21 THE WITNESS: Yes, Your Honor. I had an -- I had an
22 understanding of why -- why this was done.

23 THE COURT: Okay. All right.

24 Ms. Stern, you get to go next. We'll just go in the same
25 order. I would think that the pass will be shorter this

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33

1 time, though.

2 MS. STERN: Yes, Your Honor. It will be.

3 REDIRECT EXAMINATION

4 BY MS. STERN:

5 Q Mr. Frazer, I think you just testified that one of the
6 things that you started to do as part of the post-2017
7 compliance review that you've been describing was cross-
8 checking the accuracy of conflict of interest forms. Was
9 that -- was my understanding correct?

10 A Yes.

11 Q Did you cross-check the accuracy of Wayne LaPierre's
12 conflict of interest forms?

13 A So, so when I said cross-check, I mean that, to the
14 extent that information is available, we double-check the
15 person's answers on the forms. If I could illustrate. We,
16 in addition to getting disclosures from board members, we
17 also get records from the financial services division of
18 payments to board members to make sure that the -- to see if
19 the reporting is consistent or to see if there are any
20 discrepancies. So that's what I meant by -- in the
21 discussion of cross-check.

22 Q So if there wasn't a formal contract or record that the
23 financial services division has, you wouldn't have any way
24 through your process to determine whether the disclosure by
25 Mr. LaPierre, for instance, was correct; isn't that right?

1 A Well, I would -- I described what I was generally
2 referring to. I would also apply any other personal
3 knowledge that I have or anything else that I thought gave --
4 gave reason for inquiry.

5 Q And if you did have personal knowledge that there was
6 information that was in conflict with what the disclosure
7 provided, would you undertake an investigation of that?

8 A I would -- I would certainly make inquiry on that. And
9 I've done that, for example, with board members who have
10 forgotten things.

11 Q And would you do the same inquiry with Mr. LaPierre?

12 A Sure.

13 Q And what inquiry have you done in that regard with
14 respect to gifts that Mr. LaPierre has admitted to having
15 received from David McKenzie?

16 A I'm not sure what -- I'm not sure -- I'm not sure what
17 he's admitted, if anything, but I would certainly look at
18 that and see if there's an issue.

19 Q So we've talked a lot about the New York Attorney General
20 enforcement action. And are you aware that Mr. LaPierre has
21 submitted a verified answer in that action in which he has
22 admitted to having received certain gifts from Mr. McKenzie?

23 A I -- I know that he submitted an answer, but I had not --
24 hadn't focused on that particular item.

25 Q So even though Mr. LaPierre has publicly filed an answer

1 in which he verified having received gifts from Mr. McKenzie,
2 including trips on a luxurious yacht, you haven't actually
3 looked into whether that was a violation of the conflict of
4 interest policy of the NRA. Is that right?

5 A I know that all of these issues -- all of these issues
6 are reviewed, have been reviewed, either --

7 MS. STERN: I move to strike anything after -- from
8 the response, the beginning.

9 THE COURT: Sustained.

10 MS. STERN: Thank you.

11 MR. NOALL: Your Honor, there was -- there was no
12 affirmative response by the witness.

13 THE COURT: All right. Do you want to just -- do
14 you want to ask your question again? Just answer the
15 question this time, Mr. Frazer.

16 THE WITNESS: Sure, Your Honor.

17 BY MS. STERN:

18 Q My question, Mr. Frazer, is Mr. LaPierre has publicly
19 filed a verified answer in the New York Attorney General
20 action in which he has admitted to having received gifts from
21 Mr. McKenzie, including trips on a luxurious yacht. In light
22 of that, have -- is it your testimony that you have taken no
23 steps to investigate whether that's a violation of the
24 conflict of interest policy? Yes or no?

25 A I haven't done that personally, no.

1 Q Okay. Thank you. Mr. Frazer, you just gave some
2 testimony about a variety of different measures that you
3 contend that the NRA has taken with respect to reviewing
4 vendor relationships. Do you recall your testimony?

5 A Yes, I do.

6 Q Okay. Are you personally responsible for looking at
7 those vendor relationships?

8 A Not all of them. It depends on -- it depends on the
9 vendor. It depends on the nature of the issue presented.

10 Q And you talked about a process in 2018 that the NRA
11 undertook, you described, to review various vendors and their
12 compliance with the NRA's policies. But you personally were
13 not involved in that process, were you?

14 A No, yes, I was involved.

15 Q Were you responsible for that process? Wasn't that Mr.
16 Phillips' job at the time?

17 A No. It was a -- Mr. Phillips sent the particular letters
18 that I think you may be referring to, but it as a team effort
19 across multiple divisions of the NRA.

20 Q So, Mr. Frazer, was it your responsibility to follow up
21 to ensure that Mr. McKenzie's entities -- Membership
22 Marketing Partners, Allegiance Creative Group, and the
23 Concord entity -- that they complied with the demands in
24 those 2018 letters?

25 A Compliance with demands from the treasurer's office falls

1 in the first instance with the treasurer's office.

2 Q So, just so I understand the distinction between what you
3 say was the treasurer's responsibility and what was your
4 responsibility, you -- maybe you could just explain it to me.
5 What was your role versus what you said was Mr. Phillips' or
6 the treasurer's role?

7 A Sure. The -- it's the treasurer's office and the
8 financial services division, which is a subdivision of the
9 Treasury, it's their responsibility to, you know, to pay
10 properly-invoiced amounts or to address any questions about
11 those invoices. And it's the general counsel's role to
12 advise on legal or compliance issues, as requested.

13 Q So you, sitting here today, cannot tell the Court that
14 you ensured that Membership Marketing Partners, the Concord
15 entity, and Allegiance Creative Group actually complied with
16 these demands that were made in 2018; is that right?

17 A Well, no, to that -- to the extent that you're referring
18 to a specific vendor, we would assist as needed. And in that
19 case, we did --

20 Q No.

21 A -- ultimately make inquiries.

22 Q Okay. Mr. Frazer, my question is with respect to these
23 particular entities that I've identified: Membership
24 Marketing Partners, the Concord Social entity, and Allegiance
25 Creative. My question to you, sir, is, sitting here today,

1 can you tell the Court that you ensured that they met and
2 satisfied the demands that were made in the August 2018
3 letters that were sent out by Mr. Phillips?

4 A So, in the August 2018 letters, we requested, as I
5 recall, among other things, better documentation of pass-
6 through expenses and also explanation of increased billing,
7 and there were some subsequent conversations with counsel and
8 exchange of a written explanation that explained -- that
9 explained those variances.

10 Q And Mr. Frazer, were you responsible for ensuring that
11 all those conditions and requests were satisfied?

12 A I was -- I was involved in it, but not primarily
13 responsible.

14 Q Thank you. You also gave some testimony about the New
15 York Attorney General litigation fees as -- but just to be
16 clear, because I think I understand this but I just want to
17 make sure I do, which is that you recused yourself from
18 oversight of that matter, correct?

19 A That's correct.

20 Q And you were not responsible for looking at the bills on
21 that matter because that's been delegated to the Special
22 Litigation Committee; isn't that right?

23 A That's correct, but the top line -- the bottom line
24 amount shows on the summary sheet that I receive, so I'm
25 aware of the general level of billing.

1 Q All right. Thank you. Mr. Frazer, isn't it true that
2 the NRA commenced a lawsuit in New York state court, New York
3 State Supreme Court, seeking a declaratory judgment against
4 -- a declaratory judgment in connection with the dispute that
5 the NRA was having with Oliver North over proceeding to
6 remove Mr. North as a member of the NRA?

7 MR. NOALL: Your Honor? Your Honor, I object. This
8 exceeds the scope of the redirect of the witness.

9 THE COURT: I --

10 MS. STERN: Your Honor, may I respond?

11 THE COURT: You may. Yes.

12 MS. STERN: They -- on the cross or the redirect of
13 Mr. Frazer, the issue of the purported bias of the New York
14 regulators and New York courts was raised, and I am just
15 addressing that issue, Your Honor.

16 THE COURT: Overruled. You may answer the question,
17 sir.

18 MS. STERN: Thank you.

19 THE WITNESS: And I'm sorry, Ms. Stern, but can you
20 repeat the question?

21 BY MS. STERN:

22 Q Yeah. My question, Mr. Frazer, is, is it not true that
23 the NRA commenced a lawsuit selecting New York State Supreme
24 Court as the forum to litigate a dispute that the NRA was
25 having with Mr. -- with, excuse me, Lieutenant Colonel Oliver

1 North concerning a process to remove Mr. -- sorry, to remove
2 the Lieutenant Colonel Oliver North from the NRA as a member?

3 A Yes, we did.

4 Q Okay. And that is a declaratory judgment action that's
5 pending in New York State Supreme Court in Albany County,
6 isn't it?

7 A Yes.

8 Q That lawsuit was -- arose out of a complaint that Mr. Tom
9 King made seeking to remove Lieutenant Colonel Oliver North
10 as a member of the NRA; isn't that right?

11 A Yes.

12 Q And in addition to that lawsuit, isn't it also true that
13 the NRA litigated another dispute with Lieutenant Colonel
14 Oliver North in New York State Supreme Court?

15 A Yes. Yes, it is.

16 Q And that second lawsuit concerned a dispute over Colonel
17 North's entitlement to indemnification; isn't that right?

18 A Yes, it is.

19 Q And you're aware, aren't you, that that lawsuit with --
20 over the indemnification was before Justice Joel Cohen, the
21 very same judge who is presiding over the New York State
22 Attorney General's enforcement action?

23 A I actually didn't recall that it was Justice Cohen.

24 Q Okay. Well, I will represent to you that it is. And in
25 that lawsuit concerning the indemnification, the NRA actually

1 prevailed in that action, didn't they?

2 A Yes, we did.

3 Q Can I ask you to turn to New York Attorney General

4 Exhibit 288? Oh, I'm sorry, 28 -- oh, I'm sorry, 288. And

5 it's, if you turn to Page 4, which I'm paging to. Do you

6 have it before you?

7 A I do.

8 Q Okay. And Mr. Frazer, did you authorize -- sorry. I --

9 MS. STERN: I'm offering New York Attorney General
10 Exhibit 288 into evidence.

11 THE COURT: Could I just ask you a question about
12 the exhibit while Debtor's counsel is looking at it? It's
13 also part of 285, isn't it?

14 MS. STERN: Um, I --

15 THE COURT: The January 14 --

16 MS. STERN: Your Honor, I do not believe that the
17 email at the end of the doc --

18 THE COURT: Okay.

19 MS. STERN: -- at the end of the document is in the
20 285 version.

21 THE COURT: I think you're right. All right. Let's
22 wait for Debtor's counsel to look at it.

23 MR. NOALL: The Debtors have no objection, Your
24 Honor.

25 THE COURT: 288 is in.

1 (New York Attorney General's Exhibit 288 is received into
2 evidence.)

3 BY MS. STERN:

4 Q Mr. Frazer, you personally authorized the payment of this
5 second invoice received from the Brewer firm on January 14,
6 2021; isn't that true?

7 A With respect to the matters that aren't under the SLC,
8 yes.

9 Q Okay. Thank you.

10 MR. NOALL: Your Honor, I do need to redact the
11 email addresses on this particular email.

12 THE COURT: I think that -- that'll be fine.

13 MR. NOALL: Per our prior agreement.

14 THE COURT: That's fine.

15 MS. STERN: No objection.

16 Sorry. Your Honor, could I have just a second? I'm just
17 going to take a quick look at my notes to make sure that I
18 have nothing else, if that's all right?

19 THE COURT: You can take just a second. Yes, thank
20 you.

21 MS. STERN: All right.

22 THE COURT: Actually, take as long as you need, Ms.
23 Stern.

24 (Pause.)

25 MS. STERN: Okay. Thank you, Your Honor, for your

1 indulgence.

2 BY MS. STERN:

3 Q Mr. Frazer, can you turn to New York Attorney General
4 Exhibit 56, which was entered into evidence this morning?

5 A Two hundred --

6 Q Do you have it?

7 A 256? The slide deck?

8 Q No. I'm sorry. 56.

9 A I'm sorry. Fifty-six. But it is the slide deck, right?

10 Q That's correct.

11 A Okay.

12 Q And if you would just turn your attention to Slide 17 in
13 the presentation.

14 A Yes.

15 Q Okay. And just turning your attention to the middle of
16 that slide, there, you're -- this is your training program
17 for your NRA staff which you said has been effective at
18 making the NRA a more compliant corporate citizen. Isn't
19 that right?

20 A Yes.

21 Q And in this program, you have emphasized to your staff
22 areas that you think require particular -- that are
23 particularly risky or that you would like them to be well
24 aware of. Isn't that right?

25 A Yes.

1 Q In Slide 17, you're addressing areas where there's
2 concern about conflict of interest. Isn't that right?

3 A Yes.

4 Q And situations that could create an actual or apparent
5 undue influence, perception of that. Is that right?

6 A Yes.

7 Q And there in the middle of the page, your slides provide,
8 for example, where there has been a solicitation or
9 acceptance of any gift, entertainment or favor, where such
10 gift might create the appearance of influence, excluding
11 gifts under \$250.

12 That's the standard in the conflict of interest
13 disclosure form; isn't that right?

14 A Yes.

15 Q That you have --

16 A I believe -- I believe so.

17 Q And it goes on to provide some examples, because you're
18 trying to give your staff something tangible so that it's not
19 an abstract concept, they have some idea of how it might
20 apply. Isn't that right?

21 A Yes.

22 Q Okay. And you go on that that would include any gift,
23 gratuity, favor, or entertainment from an entity that has or
24 is seeking to have a business relationship with or receive
25 funds from the NRA or an affiliate. Right?

1 A Yes.

2 Q So that would include Membership Marketing Partners,
3 Allegiance Creative Group. Isn't that right?

4 A Yes.

5 Q Okay. And then the next item is again another example of
6 how this might actually occur. Includes free use of boats,
7 planes, vacation houses, sporting event tickets, or other
8 items as part of a social activity. Do you see that?

9 A Yes.

10 Q That's something that you particularly wanted to call to
11 the attention of the NRA staff; isn't that right?

12 A It was a -- it was an example -- it was some examples,
13 yes.

14 Q Okay. Thank you. And if we can now turn to New York
15 Attorney General Exhibit 3. Okay. And these have also been
16 admitted into evidence. And if we can turn to Page 14 of
17 this document --

18 A Excuse me. Is that Page 14 of the PDF document or a
19 numbered Page --

20 Q It is Page 14 of the PDF document. Okay.

21 A Okay.

22 Q And -- just a second, please. My poor tired eyes are
23 trying to see it on this small screen. Okay. So you
24 testified earlier that the New York Attorney General actions
25 had an adverse effect on the NRA. That was your testimony,

1 right?

2 A Yes.

3 Q And that it's had an adverse effect on fundraising
4 because I think you said something along the lines that the
5 public can't distinguish between what's alleged and what is
6 true; is that right?

7 A No, that's not. I wasn't talking about fundraising.

8 Q You were talking about the reputation of the NRA?

9 A Yes.

10 Q So, at the board meeting on January 7, 2021, where we
11 heard a lot of discussion about the process of authorizing
12 filing the bankruptcy, there was also regular board
13 activities, correct?

14 A Yes.

15 Q And in those regular board activities, reports are given
16 to the members, right?

17 A Yes, although I should note it was pretty limited due to
18 the impact of COVID. We didn't want to have a lot of
19 committee meetings.

20 Q Okay. And what -- and at that board meeting, there was a
21 report here that we're looking at on Page 14. This is part
22 of the report of the -- of Mr. LaPierre's report to the
23 board, isn't it? If you just, I think, page back to --

24 A Yes, it --

25 Q -- Page 13, you'll see the start of the report.

1 A Yes. It is. It's part of his written report that's
2 provided to the Court.

3 Q Okay. So, turning back to Page 14, Mr. LaPierre here
4 focuses on telemarketing and notes that, through November of
5 2020, we generated \$10.5 million net revenue. Do you see
6 that?

7 A I do.

8 Q In September, he goes on, we continue to see strong
9 support from our members using our Save NRA scripts. We were
10 able to morph that support into a New York attack script
11 which has done very well. Do you see that?

12 A Yes, I do.

13 Q Okay. And that was -- that was the message that Wayne
14 LaPierre gave to the members that -- that a script that
15 focused on the New York attack was very successful in their
16 telemarketing efforts. That's what he said that day; isn't
17 that right?

18 A It's --

19 Q That's what he reported that day? That's what he
20 reported that day?

21 A It's in the written report provided for that meeting.

22 Q Okay.

23 MS. STERN: Thank you, Your Honor. I have no
24 further questions.

25 THE COURT: Thank you. Mr. Gruber?

1 MR. GRUBER: Your Honor, just a few.

2 RECROSS-EXAMINATION

3 BY MR. GRUBER:

4 Q Mr. Frazer, you remember the Cummings memo?

5 MR. NOALL: Objection, Your Honor. That document
6 we've previously spoken about is not in evidence and there's
7 no foundation for it.

8 MR. GRUBER: I'm asking if he remembers the Cummings
9 memo. Do you remember it, sir?

10 THE COURT: Overruled.

11 MR. NOALL: Your Honor, we -- and we also had an
12 agreement with respect to the disclosure of the particular
13 person's name who is not supposed to be disclosed on the
14 record under the law.

15 MR. GRUBER: Your Honor, I believe it's already been
16 talked about in depositions.

17 BY MR. GRUBER:

18 Q But do you recall a memo by a potential whistleblower who
19 claimed that Mr. Brewer got his bills paid immediately?

20 A Yes, I do.

21 Q And did you find that to be the case?

22 A I'm sorry, did I find what to be the case? I'm not sure
23 I understand.

24 Q That he got his bills paid immediately.

25 A His bills are paid promptly, as required by the contract.

1 Q So like within four hours for a million dollars? Would
2 that be -- would that be prompt?

3 A That would be prompt, but it's also not the norm.

4 Q Okay. So this would be -- if somebody paid Mr. Brewer's
5 bills within four hours in an amount of about a \$1.2 million,
6 you would say that's out of the ordinary course of business?

7 A I don't know what I'd -- I don't know if I would. It's
8 --

9 Q Well, it either is or it isn't, isn't it?

10 A Yeah. I mean, it's not -- it's -- it's faster than --
11 than ordinary.

12 Q Well, would you agree that it's out of the ordinary
13 course of the way NRA processes its bills for its attorneys?

14 A Yes.

15 Q Remind me what -- the Judge pointed out a specific
16 invoice that was paid on, I believe, January 14th of 2021.
17 Can you remind me which invoice that was?

18 A You're referring -- you're referring to a Brewer firm
19 invoice?

20 Q Yes.

21 THE COURT: It's the last page of New York Attorney
22 General 285, if that'll help everybody. Or last invoice,
23 excuse me.

24 MR. GRUBER: Thank you, Your Honor. I just didn't
25 have a reference.

1 THE COURT: No problem.

2 BY MR. GRUBER:

3 Q So, Mr. -- have you found the invoice the Judge was
4 talking about?

5 A Last invoice in 285, yes.

6 Q So when the Judge asked you about that on the January
7 14th, did you mention all the other bills that got paid that
8 day?

9 A I don't -- I don't think any others were discussed.

10 Q So, do you remember, at 3:51 in the afternoon, receiving
11 an email from Mike McCormick asking for the January 14, 2021,
12 invoices for governance, Cuomo, Russia, and Ackerman to be
13 paid?

14 A I don't recall the email.

15 Q Do you recall you doing an email at 7:09, trying --
16 approving those?

17 A I don't recall time frames or specific emails.

18 Q Do you recall Mr. LaPierre checking with Carolyn Meadows
19 and stating that those should be taken out of the trust
20 account --

21 A No, I don't.

22 Q -- that Mr. Brewer was holding?

23 A No, I don't.

24 Q And do you -- do you remember specifically, then, Mr.
25 LaPierre stating that \$1,224,047.76, plus, I believe, the one

1 -- the \$44,000 -- \$45,000 invoice you're talking about, that
2 that be paid to Mr. Brewer immediately? Do you recall any of
3 that?

4 A No. I don't recall. I wouldn't have seen Mr. LaPierre's
5 communications.

6 Q Well, how about your communication about the same figure?
7 I'm sorry. It's only a million to the Brewer firm, so maybe
8 it didn't ring a bell.

9 A I just don't recall the specific emails that you're
10 reporting --

11 MR. NOALL: Objection, Your Honor. Argumentative.

12 THE COURT: Sustained.

13 BY MR. GRUBER:

14 Q Do you recall, on the 14th, before bankruptcy being filed
15 the next day, within four hours giving the approvals and
16 sending out \$1.2 million to Mr. Brewer's firm?

17 A I recall approving the invoices, but I don't recall the
18 time frames. I can't confirm that.

19 MR. GRUBER: Could we pull up -- sorry, one second.
20 Is it A -- could you pull up AMC Exhibit 83?

21 THE WITNESS: Okay. I have it.

22 BY MR. GRUBER:

23 Q Do you want to add up what the invoices are for
24 governance, Cuomo, Russia, and Ackerman?

25 A (Pause.) Yes.

1 Q And what do they come out to?

2 A It's -- I'm doing this in my head, but I think it's about
3 \$660,000.

4 Q Do you know why, then, for requests for those invoices to
5 be paid, it was authorized that Mr. Brewer take out the
6 amount of \$1,224,047.76 out of his account plus remit to HKA
7 Global \$45,518?

8 A I'm sorry, can you repeat the first part of that
9 question?

10 Q Based on requests for invoices to be paid on governance,
11 Cuomo, Russia, and Ackerman, why would \$1,224,047.76 be paid
12 out, plus a remittance to HKA Global for \$45,518.75?

13 A Well, I see now. I think you're referring to Page 3 of
14 this exhibit. Is that right?

15 Q Uh, let's -- we'll do the math, but we --

16 MR. GRUBER: Your Honor, we'd like to introduce
17 Exhibit 83 into evidence.

18 MS STERN: Your Honor, I just would note for the
19 record that New York Attorney General Exhibit 288 is the same
20 document.

21 MR. GRUBER: Is that already in, Ms. Stern?

22 MS. STERN: Yeah, and that was admitted.

23 MR. GRUBER: All right. Never mind, Your Honor. We
24 don't need to put that one in.

25 THE COURT: Okay.

1 BY MR. GRUBER:

2 Q Can I ask you, Mr. Foster [sic], were any questions
3 raised about allowing Mr. Brewer to draw down over a million
4 dollars out of his trust account on a request of invoices
5 late in the afternoon, the request being made at almost 4:00
6 o'clock in the afternoon? Any questions about that being
7 done right before bankruptcy?

8 A There was a -- I had a discussion about the payment of
9 those invoices, although I don't recall when that discussion
10 occurred.

11 Q And who did you have that discussion with?

12 A I believe I had a discussion with Ms. Rogers from the
13 Brewer firm.

14 Q Well, do you know what happens when you ask a barber if
15 you need a haircut?

16 A I'm sorry?

17 MR. NOALL: Objection, Your Honor. Argumentative.

18 THE COURT: Sustained.

19 BY MR. GRUBER:

20 Q You asked Ms. Rogers whether -- whether you should pay
21 \$1.2 million to the Brewer firm right before bankruptcy was
22 filed?

23 MR. NOALL: Your Honor, to the extent that the
24 question involves advice of counsel, I would object.
25 Otherwise, the witness can answer.

1 THE COURT: If you can --

2 MR. GRUBER: Well, I believe there's an exception in
3 this case, Your Honor.

4 THE COURT: If you can answer the question without
5 invading the attorney-client privilege, which would involve
6 legal advice, you may answer the question.

7 THE WITNESS: I had a discussion with -- I had a
8 discussion, as I said, I bel... I think it was with Ms.
9 Rogers, regarding the -- regarding these payment -- the
10 payment of these invoices.

11 BY MR. GRUBER:

12 Q And was that in her role as a vendor who wanted \$1.2
13 million paid to her or in her role as your attorney?

14 A I'd say it was in her role as our attorney.

15 Q And in her role as your attorney, she gave you the good
16 and sound advice that you should go ahead and release the
17 \$1.2 million?

18 MR. NOALL: Objection to the extent it invades the
19 attorney-client privilege.

20 THE COURT: Same ruling -- same ruling I just gave.

21 MR. NOALL: And it's argumentative.

22 THE COURT: Same ruling I just gave. You may answer
23 the question, sir.

24 THE WITNESS: So, to -- to answer -- I don't think I
25 could answer that question without disclosing legal advice.

1 BY MR. GRUBER:

2 Q So, let me ask you this. When you authorized payment to
3 the Brewer law firm, did she tell you that they were going to
4 be filing bankruptcy the next day?

5 A I don't know if I can answer that without disclosing
6 privileged communications.

7 MR. GRUBER: Your Honor, I -- we feel like this is a
8 situation we should be able to invade this. She is wearing
9 two hats at the time and she is not disclosing to the
10 individual who's, you know, finally authorizing payment, that
11 \$1.2 million should be paid. And I think we're entitled to
12 go into it and figure out what was said and what went on.

13 THE COURT: Mr. Garman? Excuse me. Mr. Noall? I'm
14 sorry.

15 MR. NOALL: Your Honor, again, to the extent that
16 Ms. Rogers was providing legal advice or legal discussion
17 regarding the timing of the payments and their legal effect,
18 it would be embraced and covered by the attorney-client
19 privilege and inadmissible.

20 THE COURT: Okay. I'm going to sustain the
21 privilege objection.

22 BY MR. GRUBER:

23 Q Okay. Mr. Frazer, you were talking about public
24 perception of the Attorney General's inquiry, were you not?

25 A Yes, I did talk about that.

1 Q And you also said, when the Russian issue came up, that
2 that caused quite a stir also. Is that correct?

3 A Yes.

4 Q So, just briefly describe what happened in the Russia
5 situation.

6 A Yeah. There -- we were -- we had to respond to two
7 Federal Election Commission complaints, which have now been
8 -- both been dismissed, essentially, alleging that the NRA
9 had received unlawful campaign contributions from Russian
10 individuals or entities. And then there were also -- then
11 there were also multiple Congressional investigations related
12 to interactions between various agents or alleged agents of
13 the Russian government and individuals associated with the
14 NRA.

15 Q And one of those was Ms. Butima [sic], is that -- is that
16 how you say it?

17 A Ms. Butina, yes.

18 Q And she ended up pleading guilty to espionage and, what,
19 trying to overthrow the U.S. government or something like
20 that, wasn't it?

21 A I believe she pleaded guilty to acting as an unregistered
22 foreign agent.

23 MR. NOALL: Your Honor, we object to this line of
24 questioning. It's way beyond the scope of the redirect of
25 the witness.

1 MR. GRUBER: Well, I -- one last question, Your
2 Honor.

3 BY MR. GRUBER:

4 Q Between the two, the Russia investigation that started
5 with the trip, what, in 2015, and there's still -- still huge
6 legal bills on it as of, you know, today, which one do you
7 think caused most harm to the reputation of the NRA?

8 MR. NOALL: Same objection, Your Honor.

9 THE COURT: Overruled, but this will be the end of
10 this inquiry. Go ahead and answer the question, sir.

11 THE WITNESS: Between Russia and the Attorney -- and
12 the Attorney General's investigation?

13 BY MR. GRUBER:

14 Q Right.

15 A I would say the Attorney General's investigation.

16 MR. GRUBER: Your Honor, I pass the witness.

17 THE COURT: Okay.

18 MR. NOALL: Your Honor, this is Mr. Noall. Before
19 we go forward, I would just like to re-raise the issue I did
20 at 2:42 this afternoon with respect to the memo that was
21 being discussed about the whistleblower.

22 Last Friday, you will recall that counsel stipulated with
23 the Court at the hearing we had that the particular person
24 whose name was on that memo would be referred to as
25 Whistleblower #3. That was a stipulation. Mr. Gruber

1 violated that stipulation. I'd like the record with respect
2 to the witnesses -- or to that particular witness's name to
3 be stricken and have Whistleblower 3 put in its place where
4 necessary. Thank you.

5 MR. GRUBER: Your Honor, I -- and I apologize and I
6 stipulate to that, so --

7 THE COURT: Your request is granted, Mr. Noall.

8 MR. BUCHANAN: Your Honor? This is -- sorry for the
9 interruption, but I represent Christopher Cox. This is
10 Thomas Buchanan. And you asked a few questions about Mr.
11 Cox's claims with the NRA and the legal fees. And if -- I
12 could help clarify that with a few questions of the witness,
13 if that would be permissible. I can wait until after Mr.
14 Noall, but I just -- or I could put on Mr. Cox. But I think,
15 since the Court asked those questions, I think Mr. Frazer
16 knows the answers. I could be very quick.

17 THE COURT: I'm not going to let you do that, with
18 all due respect. I just had a question about a statement he
19 made about contract damages and I was actually looking
20 through the exhibits on the bills today and it raised a
21 question. But I actually don't need further clarification on
22 it. Thank you. Thank you, though.

23 MR. BUCHANAN: Okay. Thank you, Your Honor.

24 THE COURT: You're welcome. Let's see.

25 MR. TAYLOR: Your Honor, Clay Taylor on behalf of

1 Mr. Journey.

2 THE COURT: Yes. All right.

3 MR. TAYLOR: I do have some -- a brief line of
4 questioning for this witness, Your Honor, based upon his most
5 recent testimony.

6 THE COURT: You're able to go, even though you
7 didn't go the first time. Go ahead.

8 RECROSS-EXAMINATION

9 BY MR. TAYLOR:

10 Q Mr. Frazer, Mr. Cotton was the chair of the Audit
11 Committee back in 2017, correct?

12 A I believe that's correct.

13 Q Wayne LaPierre was in the role that he's in today back in
14 2017, correct?

15 A Yes.

16 Q Yet you and your bankruptcy counsel have readily admitted
17 that problems existed in 2017, correct?

18 A Yes.

19 Q And Mr. LaPierre had to pay taxes for prior years for
20 previously-undisclosed compensation for travel, correct?

21 A Yes.

22 Q But the NRA opposes the appointment of an examiner,
23 correct?

24 A Yes.

25 Q And the NRA wants to let management, much of whom are the

1 same people who were sitting in the same places in 2017,
2 continue to be the control people for the NRA; is that
3 correct?

4 A Yes. We believe that people had fixed the problems.

5 Q Who is conducting the investigation of the LaPierre-
6 McKenzie interactions and whether taxes should be paid on
7 that?

8 A Well, that -- to the extent that that's an issue in --
9 well, so to the extent that that may be a tax issue, it would
10 probably -- it would be handled by tax counsel. But the, you
11 know, any tax return addressing anything recent wouldn't be
12 due for a while.

13 Q Has the NRA conducted an investigation as to whether that
14 was even a proper interaction, for him to use that luxury
15 yacht?

16 A To the extent that it's an issue in the New York AG
17 litigation, I believe it'll -- it has been or will be
18 addressed in that forum.

19 Q Okay. And who is -- who is conducting that investigation
20 on behalf of the NRA?

21 A Anything in the New York AG litigation is being handled
22 by the Brewer firm.

23 Q Okay. And who is looking into the propriety of the NRA's
24 interactions with the Brewer firm?

25 A I know that that's -- that's a subject of a pending

1 motion in this court.

2 Q And that's the application to retain the Brewer firm,
3 correct?

4 A Right. But from the NRA's standpoint, there's -- there's
5 no concern to investigate.

6 Q And the NRA doesn't believe that an examiner should look
7 into that relationship; is that correct?

8 A That's correct.

9 Q Okay.

10 MR. TAYLOR: I have no further questions, Your
11 Honor.

12 THE COURT: Thank you, Mr. Taylor. Mr. Noall?

13 MR. NOALL: I have no further questions, Your Honor.

14 THE COURT: Thank you, Mr. Noall. Mr. Drake?

15 MR. DRAKE: I do not have any further questions
16 either, Your Honor. Thank you.

17 THE COURT: Mr. Noall, is Mr. Frazer the designated
18 representative of the NRA under the rule?

19 MR. NOALL: He is not, Your Honor.

20 THE COURT: He is not? All right. Mr. Frazer,
21 you're going to be excused from the hearing, and you probably
22 -- well, you didn't hear, because -- if you would wait to
23 discuss your testimony with anyone until after I have given a
24 ruling on the motions in front of me, I would appreciate it.

25 MR. FRAZER: Thank you, Your Honor. Understood.

1 THE COURT: Who is our next witness?

2 MS. STERN: Your Honor, we're just going to trade
3 places here for a moment and Mr. Sheehan will be stepping to
4 the podium.

5 THE COURT: All right.

6 MS. STERN: Thank you, Your Honor.

7 THE COURT: Nice to see you.

8 MR. SHEEHAN: Good afternoon, Your Honor.

9 THE COURT: Hi.

10 MR. SHEEHAN: My name is -- can you see me, Your
11 Honor?

12 THE COURT: I can. I remember you from the first
13 day, too.

14 MR. SHEEHAN: Okay. Thank you. Your Honor, my name
15 is Jim Sheehan. I'm an Assistant Attorney General for the
16 State of New York. We are calling Mr. Wayne LaPierre this
17 afternoon.

18 THE COURT: All right. This witness probably is
19 going to take a little while. It's 3:00 o'clock. Can we
20 maybe just take five minutes for everybody to get their act
21 together, and then we'll swear Mr. LaPierre in. All right?

22 MR. SHEEHAN: Your Honor, we're going to need about
23 ten minutes in order to make the witness transition, if
24 that's okay.

25 THE COURT: That'd be fine. Why don't we flip the

1 recess, then. We'll do the longer one now and then we'll do
2 again a short break as we get a little bit deeper into the
3 afternoon. So, it's 3:04. Let's come back, you know, 3:15
4 or so. All right. Thank you.

5 MR. SHEEHAN: All right. Thank you.

6 (A recess ensued from 3:04 p.m. until 3:51 p.m.)

7 THE COURT: We'll go back on the record in National
8 Rifle Association.

9 Mr. LaPierre, --

10 MR. GARMAN: Uh, --

11 THE COURT: I'm sorry?

12 MR. GARMAN: Yes, Your Honor. Just a previous -- so
13 I'll be defending this, but just for the record, Mr. Correll,
14 who is Mr. LaPierre's personal attorney, I believe is
15 authorized to object to privilege. He's in the room, too, to
16 my left. And then, by way of stipulation amongst the
17 parties, a paralegal from my office, Ms. Michelle Corey
18 (phonetic), is in the room with Mr. LaPierre. She's under
19 strict instructions not to do anything except assist with
20 getting exhibits in front of him. As we talked about, Mr.
21 LaPierre did have an eye procedure done on Friday, and so the
22 parties did agree to that. I wanted to make sure the record
23 was clear on that point.

24 THE COURT: Thank you. I note for the record that
25 the judge every now and then has to have help with his

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1 exhibits too, Mr. Garman, so I totally understand.

2 Mr. LaPierre, can you hear me?

3 MR. LAPIERRE: Your Honor, I can.

4 THE COURT: Would you raise your right hand?

5 I'm not sure I'm seeing him. Where --

6 MR. GARMAN: Michelle? Oh, there we go.

7 THE COURT: Okay.

8 (The witness is sworn.)

9 THE COURT: All right. Mr. Sheehan

10 MR. SHEEHAN: Thank you, Your Honor.

11 WAYNE LAPIERRE, NEW YORK ATTORNEY GENERAL'S WITNESS, SWORN

12 DIRECT EXAMINATION

13 BY MR. SHEEHAN:

14 Q Good afternoon, Mr. LaPierre.

15 A Good afternoon, Mr. Sheehan.

16 Q You're the executive vice president, aren't you, of the
17 National Rifle Association?

18 A Yes, I am.

19 Q All right. And you've held that position since 1991,
20 correct?

21 A Yes, I have.

22 Q And as the executive vice president of the NRA, you're
23 the chief executive officer of the organization, correct?

24 A That's correct.

25 Q As we go today, I -- if -- I know you had surgery last

1 week. If you need to take a break, I'm sure the judge will
2 -- let us know and we'll ask the judge for a break.

3 Agreeable?

4 A Thank you. Thank you.

5 Q And as we go through your testimony today, I understand
6 you have a paralegal with you to assist you in the operation
7 of the exhibits. Are you able to see the exhibit machine?

8 A Yes, I am. I'll switch glasses, too, when I do it.

9 Q Okay. And as far as the -- I also should discuss your --
10 in terms of how you do your business on a day-to-day basis,
11 is it true that you send no emails?

12 A That's correct.

13 Q And is it true that you send no texts?

14 A That's correct.

15 Q And do you read the texts that you get?

16 A As we've talked about recently, I've been reading texts
17 that come on my phone.

18 Q And do you read your emails yourself?

19 A Ah, do you mean that come on the phone?

20 Q Or, or on your --

21 A Yeah.

22 Q -- desktop?

23 A I don't -- I don't read any on a computer, no.

24 Q Do you read the ones on your phone?

25 A If somebody sends something on my phone and it comes up,

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1 I -- I read it. Recently, yes.

2 Q Whether -- and recently meaning the last six months?

3 A The last couple months, I've started reading them.

4 Q So it's fair to say --

5 A I'm kind of old-fashioned.

6 Q Me, too. So, as a practical matter, we're not going to
7 find emails or texts that you sent before a couple months
8 ago, correct?

9 A That's correct. I haven't -- I haven't sent any emails
10 or texts.

11 Q All right. Is it true that the reason you filed this
12 bankruptcy was so the NRA could leave New York and
13 reincorporate in Texas?

14 A We filed this bankruptcy to esca... to look for a fair
15 legal playing field where NRA could prosper and grow in a
16 fair legal environment, as opposed to what we believed had
17 become a toxic, weaponized, politicized government in New
18 York State, as Attorney General Schneiderman called Tom King
19 on our board of directors and said there was a plan to
20 weaponize the government.

21 MR. SHEEHAN: Your Honor, I object to the reference
22 to a hearsay conversation and ask that it be stricken.

23 THE COURT: Sustained.

24 Mr. LaPierre, I think it would better for everyone,
25 including you, on shortening your testimony, if you'd listen

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1 carefully to the question and answer it.

2 THE WITNESS: Yes, sir, Your Honor.

3 MR. SHEEHAN: Mr. Thompson, could you pull up New
4 York Attorney General Exhibit 153?

5 And at this time, Your Honor, I ask that New York
6 Attorney General Exhibit 153 be admitted.

7 MR. GARMAN: Your Honor, I apologize, I'm going to
8 be slower than Mr. Noall, but I have no objection.

9 THE COURT: NYAG 153 is in.

10 MR. SHEEHAN: All right. And --

11 (New York Attorney General's Exhibit 153 is received into
12 evidence.)

13 BY MR. SHEEHAN:

14 Q So, Mr. LaPierre, can you read the Exhibit 153?

15 A Yes, I can. NRA Leaves New York to Reincorporate in
16 Texas, Announces New Strategic Plan.

17 Q And did you authorize this press release to be issued?

18 A I did.

19 Q And is it correct that you wanted to use the protection
20 of the bankruptcy court to dump New York, as stated in the
21 press release?

22 A Yes. We wanted to file Chapter 11 to ask the federal
23 court's permission to reincorporate in the State of Texas and
24 -- where we felt the organization could prosper. And -- and
25 was seeking us and offering us incentives.

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1 Q You made the decision to file for bankruptcy, correct?

2 A I did, along with conferring with the Special Legislative
3 Committee.

4 Q But you made the decision, correct?

5 A Pardon me?

6 Q You made the decision yourself?

7 A Yes. I made the decision, with the concurrence of the
8 SLC, which is -- which are the three officers of the NRA.

9 Q And their concurrence is not a committee concurrence,
10 correct?

11 A Well, the SLC was made an official committee of the board
12 of directors of the National Rifle Association at the January
13 7th meeting, so it is an official committee of the board of
14 directors, who I work for.

15 Q Understood. But as -- you consulted with the Special
16 Litigation Committee, but they did not vote as a committee to
17 authorize the bankruptcy, correct?

18 A They were all in favor of it, and they -- they felt it
19 was a move that we needed to make, given the fact that the
20 New York AG was seeking to dissolve the NRA and seeking --

21 MR. SHEEHAN: Your Honor, I'd like to move to strike
22 the answer as nonresponsive.

23 THE COURT: Sustained.

24 Mr. LaPierre, please listen to the question and answer it
25 only.

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1 THE WITNESS: All right.

2 BY MR. SHEEHAN:

3 Q All right. So let's go back, Mr. LaPierre, a second,
4 time. Did the Special Litigation Committee authorize, as a
5 committee, the filing of the bankruptcy before it occurred?

6 A I filed it with their concurrence.

7 MR. SHEEHAN: Your Honor, I'd ask the -- that the
8 testimony be stricken.

9 THE COURT: Sustained.

10 MR. GARMAN: Your Honor, this is Mr. Garman, if I
11 might. Your Honor, I believe his testimony is entirely
12 consistent with the resolution attached to the petition.

13 THE COURT: Well, then he'll have to testify that
14 way, Mr. Garman. He still hasn't answered the question
15 that's asked.

16 BY MR. SHEEHAN:

17 Q Mr. LaPierre?

18 A Yes?

19 Q Did the Special Litigation Committee vote to authorize
20 the bankruptcy?

21 A Yeah. I talked to all three of them and they all three
22 said yes, they wanted to file -- authorize the bankruptcy.

23 Q So you talked to all three -- okay. Let's move on.

24 In addition to the Special Litigation Committee, did you
25 advise the other members of the board that you were filing

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1 for bankruptcy before you did so?

2 A No, we did not.

3 Q When you use the term we, Mr. LaPierre, who are you
4 referring to?

5 A The Special Litigation Committee, the three officers of
6 the National Rifle Association, and myself.

7 Q In addition to the Special Litigation Committee, you
8 filed for bankruptcy without -- let me start again. You
9 filed for bankruptcy without informing any of the salaried
10 officers until the day the petition was filed, correct?

11 A That, that is correct.

12 Q So let me walk through the officers who were not advised.
13 Craig Spray, your -- the board-elected treasurer and your
14 elected chief financial officer, was not advised before the
15 filing, correct?

16 A He knew we were pursuing a reorganization. He did not
17 know specifically we were going the bankruptcy route.

18 MR. SHEEHAN: Your Honor, I'd move to strike the
19 answer as nonresponsive.

20 THE COURT: I think he was trying to respond to
21 that, and so I'm going to overrule the objection.

22 BY MR. SHEEHAN:

23 Q Mr. Joe De Bergalis is your executive director of general
24 operations, correct?

25 A Yes, sir.

1 Q And if you were to step down or be unable to serve as
2 EVP, Mr. De Bergalis would, by operation of your bylaws, take
3 charge of the NRA, correct?

4 A Yes.

5 Q You didn't inform him that you were filing bankruptcy
6 before you did so, right?

7 A No, we did not. I did not.

8 Q Tyler Schropp is your director of -- executive director
9 of advancement, correct?

10 A That's correct.

11 Q And he's responsible for fundraising within the NRA?

12 A That's correct.

13 Q You didn't consult with him before you filed for
14 bankruptcy, correct?

15 A That's correct.

16 Q Jason Ouimet is your executive director of the Institute
17 for Legislative Affairs, correct?

18 A Correct.

19 Q And his responsibility is to handle lobbying and advocacy
20 for the NRA; is that correct?

21 A That is correct.

22 Q You didn't inform Mr. Ouimet of the -- this -- you did
23 not inform Mr. Ouimet before you filed for bankruptcy that
24 you're filing; is that correct?

25 A That is correct.

1 Q Sonya Rowling, the former director of accounting
2 operations and financial reporting, and your now-acting CFO,
3 did you tell her before you filed for bankruptcy?

4 A No, we did not. I did not.

5 Q Did you solicit her opinion or advice?

6 A No.

7 Q David Warren, who signed the NRA's Statements of
8 Financial Affairs, you didn't inform him of the filing for
9 bankruptcy before it occurred, either, right?

10 A No, we did not. I did not.

11 Q In fact, the only salaried employees at the NRA besides
12 you who knew of the bankruptcy filing before it occurred were
13 Mr. Arul --

14 A Arulanandam.

15 Q Thank you. Thank you. And I'll need your help again if
16 I do that. Thanks.

17 A Okay.

18 Q He was the only person who knew of the filing of the
19 bankruptcy before it occurred?

20 Q That -- that's correct.

21 A And he's the NRA's spokesperson, correct?

22 Q That is correct. I'm not sure whether his assistant,
23 Billy, knew or not. He might have.

24 A Thank you for that correction.

25 And in the months leading up to the January 7, 2021

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1 meeting of the board, you didn't discuss filing for
2 bankruptcy with the full board, correct?

3 Q That's correct.

4 MR. SHEEHAN: And can we go to Exhibit 50, please?

5 MR. GARMAN: I'm sorry, Mr. Sheehan. I assume
6 that's NYAG 50?

7 MR. SHEEHAN: I'm sorry. Yes, that's correct.

8 BY MR. SHEEHAN:

9 Q Can you identify Exhibit -- NYAG Exhibit 50, Mr.
10 LaPierre?

11 A It is a -- it's an employment agreement between myself
12 and the -- and the NRA.

13 Q And was this employment agreement the only employment
14 agreement ever presented to the board with respect to your
15 employment by the NRA?

16 A No. I have a -- I have a -- a contract was approved at
17 the January 7th meeting of the board of directors that I --
18 that I have right now in effect with the board.

19 Q Isn't that what this agreement is, that Exhibit 50? I
20 don't mean to confuse you. If this -- my understanding was
21 this is the January 7th agreement.

22 A Yes, that is -- that is correct, Mr. Sheehan.

23 Q Okay. Was this the first time that an employment
24 agreement for you had been presented to the board of
25 directors of the NRA since you've worked there?

1 A I'm not sure of that because I'm not in the compensation
2 committee session that they do. I had other contracts with
3 the NRA, but I don't know whether they were presented to the
4 compensation -- by the compensation committee to the full
5 board.

6 Q Okay. So, to the best of your knowledge, there has been
7 no presentation of a -- before this contract that is Exhibit
8 50, there's been no presentation of a full contract -- of a
9 contract to the full board of the NRA for you?

10 A I know this one was presented to the full board. I'm not
11 sure whether any of the other ones that were in effect were
12 presented to the full board because I would have been out of
13 the compensation committee discussion.

14 Q Right. But after the compensation committee meets and
15 makes a decision, that decision is a matter of record,
16 correct?

17 A If the board chooses to make it out of executive session
18 part of the record, they do.

19 Q And it's a contract with you. So if you -- if it's a
20 contract with you, wouldn't you have knowledge if the board
21 had signed off on it?

22 A If they went out of executive session and made it in the
23 public record, yes, I would.

24 Q So let's try that again. As far as the public record --
25 that is, the public record of the NRA -- this is --

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1 A Right.

2 Q -- the only contract, employment contract that you've
3 ever received which was approved by the full board?

4 MR. GARMAN: Your Honor, I'm going to --

5 THE WITNESS: As far -- as far as I know, --

6 MR. GARMAN: Wayne. Wayne.

7 THE COURT: Mr. --

8 MR. GARMAN: Your Honor, I would object. This is
9 the third time we've asked this question.

10 THE COURT: One more try in answering it. Try to
11 answer it, Mr. LaPierre.

12 THE WITNESS: I know that the other employment
13 contracts I had were signed by the officers of the NRA, the
14 three officers of the NRA. I don't know whether they were
15 approved by the full board. I don't -- I believe they may
16 not have been.

17 BY MR. SHEEHAN:

18 Q Okay. If you look at New York AG Exhibit 50, it is your
19 understanding it is this contract which authorized you to
20 file for bankruptcy; is that correct?

21 A That is correct. It delegated to the executive vice
22 president's office the ability to reorganize the Association.

23 Q Actually, not the office, correct? It's the executive
24 vice president?

25 A Right. That's correct.

1 Q You spoke at the meeting on January 7th? That is, the
2 board meeting?

3 A That's correct.

4 Q And for board meetings at the NRA, and this one in
5 particular, there was a general session, correct?

6 A There was -- there was a short general session.

7 Q And then there were some -- there were executive sessions
8 as well?

9 A That's correct.

10 Q You did not take part in the executive session where your
11 employment contract was discussed, right?

12 A I did not take part and I was not in the room.

13 Q But you did speak at the general session of the board
14 meeting, correct?

15 A I may have had some short -- short comments.

16 Q And in your short comments -- when you look at the --
17 well, --

18 A I can't remember, to tell you the truth.

19 Q Okay. You didn't mention -- you don't remember today if
20 you actually spoke in the general session of the board
21 meeting?

22 A I don't -- I don't -- I may have had some short comments
23 at the January 7th meeting. I know I spoke at the most
24 recent board meeting we had, where they -- where the board
25 ratified the decision to file for bankruptcy.

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1 Q Mr. LaPierre, --

2 MR. SHEEHAN: I'd move to strike that answer as
3 nonresponsive --

4 THE COURT: Sustained.

5 MR. SHEEHAN: -- after "I don't recall."

6 BY MR. SHEEHAN:

7 Q I'd like you to examine New York AG Exhibit 299. Can you
8 see that, please? Can you identify Exhibits --

9 MR. SHEEHAN: I'm sorry. I'd ask that Exhibit 299
10 be admitted.

11 MR. GARMAN: No objection.

12 THE COURT: NY --

13 BY MR. SHEEHAN:

14 Q Mr. LaPierre, can you --

15 THE COURT: Excuse me, Mr. Sheehan.

16 MR. SHEEHAN: I'm sorry.

17 THE COURT: NYAG 299 is in.

18 (New York Attorney General's Exhibit 299 is received into
19 evidence.)

20 BY MR. SHEEHAN:

21 Q Mr. LaPierre, can you identify Exhibit 299?

22 A It says, Proceedings of the Meeting of the Board of
23 Director NRA, Thursday, January 7, 2021.

24 Q And is this a transcript, as far as you know, of the
25 meeting on January 7th? General session?

1 A That's what it appears to be.

2 Q Okay. If you take a look at Pages 20 to 21 for me.

3 A We're pulling them up right now.

4 Q Okay.

5 A (Pause.) I'm sorry. We're working to pull it up right
6 now.

7 Q Understood. Gives me a chance for a little water.

8 A Yes, I -- yeah, I can read it.

9 Q And I want to make -- so, you have Page 20 and 21 pulled
10 up?

11 A We are. And we're looking at remarks I obviously made at
12 that meeting. So I -- I --

13 Q So, let me -- let me just read a couple of the sentences
14 from that report.

15 A Okay.

16 Q If you look at the first full paragraph. "Beginning in
17 late spring of this year, we outperformed all of our
18 projections for the rest of the year in membership and
19 fundraising."

20 A Correct.

21 Q Did you state that?

22 A I did.

23 Q And did you believe it when you said it?

24 A Yeah, I -- I said that we -- we had -- we've had like
25 eight straight months of increasing membership, and eight of

1 the last -- in the last nine months, our membership had
2 increased, and we came within, in a COVID year, we came
3 within seven percent of our revenue.

4 Q Let me -- okay. Let me -- I was going to go to the next
5 paragraph.

6 A Projections.

7 Q All right. So, "NRA ended the year by putting the
8 organization in a position of maximum liquidity." Do you see
9 that?

10 A I do.

11 Q Was that true when you said it?

12 A Yes, I believe it to be true. I believe we reduced our
13 debt by about -- about \$40 million.

14 Q. Mr. LaPierre, you're jumping ahead to the next -- the
15 next clause.

16 A I'm sorry.

17 Q Let's stick with --

18 A I'm not trying -- I don't mean to.

19 Q And I don't, either. So let me try again. When you said
20 that NRA ended the year by putting the organization in a
21 position of maximum liquidity, you believed that to be
22 correct, right?

23 A Correct. Compared to the situation we were in the year
24 before. Absolutely.

25 Q Then you say, "We reduced our debt and we improved our

1 financial -- the financial performance of the Association by
2 \$40 million." Did you believe that when you said it?

3 A I did believe that when I said it.

4 Q And do you still believe it to be correct?

5 A I do, because I got it from our -- from our treasurer,
6 who -- who -- that's where I got the figure from. And I know
7 we paid off our -- yes.

8 Q Okay. Thank you. And as a result of your performance
9 during 2020, you offered some key staff people some retention
10 bonuses, correct?

11 A We did.

12 Q And you say some accepted it and some turned it down,
13 correct?

14 A Yes, that's correct.

15 Q All right. And then if you look at the bottom of Line
16 23, the bottom line is, "As we come out of this year
17 financially and membership-wise, NRA is strong membership-
18 wise, strong financially, it's financially solvent, and the
19 membership numbers continue to be incredibly high." Do you
20 see that?

21 A I do.

22 Q And was that correct when you said it?

23 A Yes.

24 Q And is it still true?

25 A Yes, it is. We are continuing to grow in terms of

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1 membership. And our first two months -- we don't have the
2 final numbers for March in yet -- were strong financially.

3 MR. SHEEHAN: Move to New York Attorney General
4 Exhibit 3. I'm sorry.

5 BY MR. SHEEHAN:

6 Q This is -- if you look at Exhibit 3, have you seen
7 Exhibit 3 before?

8 A I'm seeing it right now.

9 Q And is it the practice of the NRA to issue board books to
10 board members before they come to a meeting?

11 A I -- I'd have to refer to the secretary. I'm not sure
12 whether they do or not. I think they're sent out to the
13 board, but I'm not positive.

14 Q Do you know whether the two contracts that -- do you know
15 whether your employment contract was distributed to the board
16 of directors before the meeting on January 7th?

17 A Again, I wasn't in the room. I -- I know -- I don't -- I
18 know it wasn't distributed before the executive session, and
19 I wasn't in the executive session where I assume it was -- I
20 assume it was discussed and board members would have had a
21 chance to see it.

22 Q All right. So, let's -- so, let me just make clear. To
23 the best of your knowledge, it was neither sent to the board
24 members before the meeting nor distributed in the general
25 session, correct? That is, the draft contract?

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1 A To the best of my knowledge, it wasn't distributed prior
2 to the meeting. I wasn't in the room when it -- because it
3 was my contract, when it was presented to the board.

4 Q Okay.

5 MR. SHEEHAN: So let's go to New York Attorney
6 General Exhibit 4. I'm sorry, Exhibit 3.

7 BY MR. SHEEHAN:

8 Q Mr. LaPierre, do you have Exhibit 3?

9 A Yes, sir, I do.

10 Q And if you look at the index, which is the second page of
11 Exhibit 3, do you --

12 A I'm looking --

13 Q I'm sorry.

14 A I'm sorry. I'm looking at it right now.

15 Q Okay. Where on that page is any report related to the
16 contract, discussion of the contract for you?

17 MR. GARMAN: Your Honor, I have an objection. I
18 don't think we've laid foundation for this document with Mr.
19 LaPierre.

20 MR. SHEEHAN: Well, it's been admitted -- this has
21 been admitted previously.

22 THE COURT: Overruled.

23 BY MR. SHEEHAN:

24 Q Mr. LaPierre, do you recognize Exhibit 3?

25 A It is a schedule for the board meeting.

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1 Q And it also includes a series of reports from various
2 officers in the NRA, correct?

3 A Correct.

4 Q And it recites that it's the minutes of the meeting of
5 the board of directors. Did you receive minutes of the
6 meeting of the board of directors for January 7, 2021?

7 A No, I have not received them.

8 Q Okay. Did you review draft minutes before they went out?

9 A No, I did not.

10 MR. SHEEHAN: Okay. Let's go to Exhibit 55.

11 BY MR. SHEEHAN:

12 Q This is previously-admitted New York Exhibit 55. Could
13 you examine Exhibit 55, please?

14 A Yes, I'm looking at it right now.

15 Q All right. This was the announcement sent by Mr. Frazer
16 to the full board on your behalf about the filing for
17 bankruptcy; is that correct?

18 A That's correct. Mr. Frazer sent something out to the
19 full board once it was filed.

20 Q All right. Did you review this Exhibit 55 before it went
21 out?

22 A I -- I believe I did.

23 Q And how does that work? Do you get -- does -- do people
24 walk over a copy of the document to you to read on paper?

25 A Yes. What the -- what -- the press releases were

1 prepared by Andrew Arulanandam and Travis Carter, and -- on
2 these, and I -- there were several different ones. One for
3 the board, one for the public in -- members in general,
4 another one for the media. Yes.

5 Q They were all paper and they were walked to you as paper?

6 A That's correct.

7 Q And would you mark them up?

8 A No, I didn't mark them up because I didn't have any
9 changes.

10 Q Okay. And you'll see in Exhibit 55, it says, "Dear Board
11 of Directors, I'm pleased to announce some exciting news
12 about the NRA." Was that the first time that -- the first
13 time that the board had received a message from you, the full
14 board had received a message from you concerning the decision
15 to file for bankruptcy?

16 A That -- that would be correct.

17 Q Okay. So, --

18 A I also did a telephone call with several board members,
19 and it's possible the telephone call reached them before the
20 -- before this did, actually.

21 Q When you say several, how many?

22 A I -- I don't know. There were probably 15, 20 on it. We
23 were going to do three different calls with board members.

24 Q After the filing?

25 A After the filing. Correct.

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1 Q Did you -- did you ever discuss with Carolyn Meadows the
2 idea of having a special board meeting just before the
3 filing?

4 A A special board meeting before the filing?

5 Q Right. To advise the board that you were filing?

6 A No, we had a -- we had a -- we had a board meeting where
7 the Special Litigation Committee and the officers presented
8 this contract --

9 Q Mr. LaPierre, --

10 MR. GARMAN: I'm going to have to object and move to
11 strike.

12 THE COURT: Sustained.

13 THE WITNESS: Okay.

14 BY MR. SHEEHAN:

15 Q What I'm asking is you've now decided, you decided on or
16 about January 13th to file for bankruptcy, correct?

17 A The 11th, 12th, 13th, we were moving toward that, making
18 the decision to -- to move that way, yes.

19 Q So you made the decision by the 13th of January?

20 A We were discussing it. We actually made the final
21 decision on the -- on the -- on -- to do it on the 15th, but
22 we were preparing on the 13th and 14th. Working on releases
23 and --

24 Q So you're working on releases about a decision you had
25 not yet made; is that correct?

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1 A That's correct. In the -- in -- if we decided to pull
2 the -- pull the plug and do it.

3 Q And in addition to you, did the three Special Litigation
4 Committee members review the press releases?

5 A I don't know whether they did or not. I know -- I know
6 -- they may very well have. Andrew Arulanandam may very well
7 have sent them to all of them.

8 Q But you don't know for sure, correct?

9 A I don't -- I don't know for sure.

10 Q Were there a press officer --

11 A I think -- I think they probably saw them.

12 Q Was there a press officer at the Brewer firm who worked
13 on the press releases, too?

14 A Travis Carter with the Brewer firm worked on the press
15 releases.

16 MR. SHEEHAN: Let's go to Exhibit 151.

17 BY MR. SHEEHAN:

18 Q And by the way, on Exhibit 55, just to go back, the
19 statements made in that press release that you've reviewed
20 were correct to the best of your knowledge, correct?

21 A Yes.

22 Q Okay. Have you seen Exhibit 151 before today?

23 A Yes. That's a letter we did to our members and -- our
24 members.

25 MR. SHEEHAN: I'd ask at this time, Your Honor, to

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1 admit Exhibit -- New York Attorney General Exhibit 151.

2 MR. GARMAN: No objection, Your Honor.

3 THE COURT: 151 --

4 MR. SHEEHAN: All right.

5 THE COURT: 151 is in.

6 (New York Attorney General's Exhibit 151 is received into
7 evidence.)

8 BY MR. SHEEHAN:

9 Q Mr. LaPierre, this is your letter to NRA members and
10 supporters on the NRA Forward website, correct?

11 A Correct.

12 Q And the statements in this letter accurately reflect why
13 the NRA filed for bankruptcy, correct?

14 A Yes. That's what -- that's what I believe, yeah.

15 Q Okay. And then -- all right. That's what you believed,
16 that they were correct when you sent them out? Right?

17 A Yes. I believe they -- they were correct when we sent
18 them out.

19 MR. SHEEHAN: Let's go to Exhibit 208. On Exhibit
20 208 -- I ask admission of Exhibit 208.

21 MR. GARMAN: No objection.

22 THE COURT: NYAG 208 is in.

23 (New York Attorney General's Exhibit 208 is received into
24 evidence.)

25 BY MR. SHEEHAN:

1 Q Did you discuss with -- do you know who drafted this
2 Exhibit 208?

3 A Yes. It was drafted by Andrew Arulanandam and working
4 with Travis Carter of the Brewer firm.

5 Q Did you review it before it went out?

6 A I did -- I did review it.

7 Q And did you believe it to be accurate?

8 A Yes, I did.

9 Q Let's -- let's turn to another subject, which is Sea
10 Girt.

11 By the way, in terms of the NRA Forward website, have
12 there been any additions on that website since the initial
13 announcement?

14 A You know, that's managed by Andrew Arulanandam and his --
15 his -- and Billy, who works with him. And I don't know
16 whether they put in the -- I've been so busy, I don't know
17 whether they've added -- added anything in the last couple
18 days or not.

19 Q Has the NRA issued a press release about the meeting of
20 March 28th by the board?

21 A I'm not sure whether we have or not.

22 Q Has the NRA issued a press release about the motions
23 filed by the Attorney General in this case?

24 A I'm not sure whether we have or not.

25 Q Okay. Let's go now to Sea Girt. Do you know what Sea

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1 Girt is?

2 A I do.

3 Q What's Sea Girt?

4 A Sea Girt was formed in November of 2020 as a possible
5 vehicle for restructuring, and then in -- I believe, when we
6 were moving toward filing for bankruptcy, we officially filed
7 Sea Girt and put, I think, \$50,000 in its bank account and --
8 yeah.

9 Q All right. So --

10 A So it's a transition vehicle.

11 Q All right. Let's go through -- you said you filed -- you
12 opened up Sea Girt in November of 2020, correct?

13 A Right.

14 Q And it's a Texas LLC, correct?

15 A That's correct.

16 Q And you signed the operating agreement?

17 A That's correct.

18 MR. SHEEHAN: Do we have that Exhibit 347?

19 BY MR. SHEEHAN:

20 Q Okay. Take a look at Exhibit 347.

21 A At that -- at that point, we were also considering, and
22 we didn't follow through, --

23 MR. SHEEHAN: I'm sorry, Mr. LaPierre. I'm going to
24 object and move to strike as not responsive to a pending
25 question.

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1 THE COURT: Sustained.

2 MR. SHEEHAN: Your Honor, I'd ask admission of New
3 York Attorney General Exhibit 347.

4 MR. GARMAN: No objection.

5 MR. SHEEHAN: All right.

6 THE COURT: NYAG --

7 MR. SHEEHAN: If you look --

8 THE COURT: Hold on just a second, Mr. Sheehan.

9 MR. SHEEHAN: I'm sorry, Your Honor.

10 THE COURT: NYAG 347 is in.

11 (New York Attorney General's Exhibit 347 is received into
12 evidence.)

13 BY MR. SHEEHAN:

14 Q All right. And you'll see a signature on the back of --
15 of the Exhibit 347 in two places that looks to be yours. Is
16 that your signature?

17 A That's correct. That's my signature.

18 Q And did you tell Craig Spray about the formation of Sea
19 Girt?

20 A I -- I knew Craig knew that we were -- we were setting up
21 a trust account --

22 Q Mr. LaPierre, could you please just answer the question I
23 asked, which is, did you tell Craig Spray about Sea Girt?

24 A I -- I honestly don't remember.

25 Q Okay. And a few days before the petition date for

1 bankruptcy, you directed that \$50,000 be transferred to Sea
2 Girt from a trust account managed by Brewer, Attorneys and
3 Counselors, correct?

4 A That's correct.

5 Q And the -- at the time that this organization was formed
6 -- that is, Sea Girt -- it had no employer identification
7 number, correct?

8 A I'm not -- I'm not an expert on that. I -- I'm not sure.

9 Q Did you open a bank account for Sea Girt?

10 A We -- we opened a bank account, I believe, on the 11th or
11 12th of January, when we put -- Vanessa Shahidi, who works
12 with me in my office, we put -- we put \$50,000 in there, in
13 the --

14 Q In that bank account?

15 A In that bank account.

16 Q And did she open the bank account?

17 A I believe she did.

18 Q And where is that \$50,000 now?

19 A I believe it's still with Sea Girt, but I'm -- as far as
20 I know.

21 Q And Sea Girt has no employees, correct?

22 A Correct.

23 Q And you didn't tell the board about Sea Girt's creation
24 or existence before you put it into bankruptcy, right?

25 A That's correct, I believe.

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1 Q And Sea Girt has no financial reason to file for
2 bankruptcy, correct?

3 A You know, that's -- that's kind of a legal question that
4 I --

5 Q Fair enough. Let me try a different question. As far as
6 you know, Sea Girt's assets exceed its debts, correct?

7 A Correct.

8 Q And -- all right.

9 MR. SHEEHAN: Let's turn to New York Attorney
10 General Exhibit 138.

11 BY MR. SHEEHAN:

12 Q Could you identify for me, Mr. LaPierre, Exhibit 138?

13 A Yes. That is a -- a contract that was proposed by the
14 board to me and -- after the April Dallas board of directors
15 meeting.

16 Q All right.

17 MR. SHEEHAN: Now, at this point, Your Honor, I'd
18 like to move the admission of New York Attorney General
19 Exhibit 138.

20 MR. GARMAN: No objection.

21 THE COURT: 138 is in.

22 (New York Attorney General's Exhibit 138 is received into
23 evidence.)

24 BY MR. SHEEHAN:

25 Q Mr. LaPierre, you said it was by the board. Can you tell

1 me -- if I'm looking at this letter, I don't see anything in
2 the document that identifies it as presented by the board.
3 Do you?

4 A It was presented to me by -- by Steve Hart, who was
5 counsel to the board. And it ended up being signed by, I
6 think, two or -- either two or three of the officers. And
7 then I signed it.

8 Q Do you know if it was proposed by the whole board?

9 A I don't -- I don't think it was.

10 Q It says it extends and modifies your contract that we
11 entered into on December 1, 2013, and it also refer -- let me
12 go back a step on that. All right. The -- it discusses in
13 this contract a series of payments for you over -- through
14 2030; is that correct?

15 A That's correct.

16 Q Okay. And the people who sign off on it are Mr.
17 Phillips, who was at the time your CFO and treasurer,
18 correct?

19 A Let me pull up the -- yes. Yes.

20 Q And by Mr. Brownell, who at that time was the -- the
21 first -- was the president of the NRA?

22 A That's correct. He was the president.

23 Q And by Carolyn Meadows, who was what, the second vice
24 president at the time?

25 A I think she was the -- either the first or second vice

1 president, one or the other.

2 Q And when --

3 A First vice president, I think.

4 Q When this contract was signed, was it right after the
5 annual meeting?

6 A It -- it was.

7 Q All right. And was there a press release associated with
8 this contract extension?

9 A I don't think there was.

10 Q All right. You'll see on the second paragraph it says,
11 "These rates are applicable when your term as an officer has
12 ended." Do you see that?

13 I'm sorry, Mr. LaPierre, you have to --

14 A I do see that.

15 Q And when your term as an officer has ended, that means
16 you're no longer the executive VP, correct?

17 A That's correct. They -- they wanted to tie up my name
18 and likeness for fundraising purposes, and that's why they --
19 why they proposed it.

20 Q All right. And as far as this -- this agreement extends
21 out for 10 years, until 2030. To your knowledge, the entire
22 board did not approve this contract, correct?

23 A That's correct.

24 Q And if someone else were to take over as executive vice
25 president of the NRA, they would still be stuck with \$15

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1 million in obligations under this contract, correct?

2 A If it had remained in effect, that would have been
3 correct.

4 Q Okay. Was this contract -- that is, New York Exhibit 138
5 -- ever revoked?

6 A Yes. I told the officers in -- I became uncomfortable
7 with it, one, I didn't -- whether I wanted my --

8 Q Mr. LaPierre, --

9 MR. SHEEHAN: I'd move to strike.

10 THE COURT: Sustained.

11 THE WITNESS: But can I --

12 BY MR. SHEEHAN:

13 Q So let me try again, Mr. LaPierre.

14 A Okay.

15 Q Is this contract still in effect?

16 A No, it's not.

17 Q Was it revoked in writing?

18 A Yes, it was.

19 Q Is that -- and -- all right. When was that?

20 A I -- I told the officers in --

21 Q Mr. --

22 A -- in May or June of 2019 I'd like to tear it up because
23 I was uncomfortable with it and I --

24 Q Mr. LaPierre, I apologize, I have to move to strike,
25 because --

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1 THE COURT: Sustained.

2 BY MR. SHEEHAN:

3 Q Was it revoked? Let's go back.

4 A Yes. It was -- it was -- I thought it had been torn up
5 when you did my deposition in June. I found out it hadn't
6 when -- when the AG actually filed --

7 Q Okay.

8 A -- a dissolution. And then I officially made sure that
9 it was in writing to --

10 Q Mr. LaPierre, --

11 A -- to nullify it.

12 Q All right. So there's a writing revoking the agreement,
13 this agreement that is Exhibit 138? Yes or no question.

14 A There is -- there is, in writing from me to the officers
15 or the compensation committee, revoking and tearing this up.

16 Q And when -- when -- can you tell me the date of that
17 writing?

18 A It would have been, oh, gosh, sometime in August,
19 September, October, or November. One of those, one of those
20 months, I think. Because I was surprised it hadn't --

21 Q Mr. LaPierre, okay, I asked you when and I think you've
22 answered the question.

23 A Okay.

24 Q Let's go through. Move on. Employment agreements. Did
25 you get -- did you get a document back from the compensation

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1 committee acknowledging receipt of a revocation of the
2 contract?

3 A I can't -- I honestly can't remember whether I did or did
4 not. I just know that I --

5 Q All right.

6 A I wrote them and -- and then they received it.

7 MR. SHEEHAN: Your Honor, move to strike after "I
8 don't know."

9 THE COURT: Sustained.

10 BY MR. SHEEHAN:

11 Q Mr. LaPierre, let's move on to the bankruptcy counsel
12 Brewer fees. You authorized --

13 MR. GARMAN: Your Honor? Your Honor, I'm sorry. I
14 have to object. I'm looking at the real-time transcript and
15 he didn't say the words "I don't know."

16 THE COURT: All right. Do you want to restate your
17 question and have Mr. LaPierre --

18 MR. SHEEHAN: Sure.

19 THE COURT: -- answer that question?

20 Thank you very much, Mr. Garman.

21 MR. SHEEHAN: I'm sorry, Your Honor.

22 BY MR. SHEEHAN:

23 Q Mr. LaPierre, did you ever receive a written revocation
24 -- written notice that this contract had been revoked?

25 A I -- I don't remember.

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1 Q Thank you. Moving on to the bankruptcy counsel issue.

2 MR. SHEEHAN: Let's do Exhibit 193. No, let's hold
3 off on that for a moment.

4 BY MR. SHEEHAN:

5 Q You authorized payments of attorney fees to the Brewer
6 firm within 90 days prior to bankruptcy totaling \$17.5
7 million, correct?

8 A That sounds -- sounds correct.

9 Q In addition to dealing the Brewer firm, the Debtors have
10 retained the Neligan firm as counsel, correct, in the
11 bankruptcy case?

12 A Correct.

13 Q And when you testified last week or two weeks ago about
14 the Neligan firm, you said you met them in early January,
15 interviewed them then with the SLC. Is that correct?

16 A That's correct.

17 Q And that was the first time you met with the Neligan
18 firm?

19 A That was the first time I had -- believe I met with the
20 Neligan firm. I know -- I know we --

21 MR. SHEEHAN: Move to strike, Your Honor.

22 THE COURT: Sustained. Just answer the question.

23 BY MR. SHEEHAN:

24 Q Mr. LaPierre, the -- could you look at Exhibit 298,
25 please? (Pause.) Can you identify -- Mr. LaPierre, have you

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1 had a chance to look at Exhibit 298?

2 A Yes. This -- when we first retained the Neligan firm to
3 look at options for restructuring was in November of 2020.

4 Q And you'll see at the end of this contract that there is
5 a signature, your signature, what appears to be your
6 signature. Is that your signature on the bottom page?

7 A Yes, it is. I -- I know we retained them in November
8 2020 to help us look at options.

9 MR. SHEEHAN: Move to strike anything after yes.

10 THE COURT: Sustained.

11 BY MR. SHEEHAN:

12 Q So, Mr. LaPierre, did you meet with -- I'm sorry. Let's
13 take a look at Exhibit 298 for a second. "Dear Mr. LaPierre,
14 Thank you for asking Neligan, LLP to represents the National
15 Rifle Association in connection with investigating,
16 analyzing, evaluating alternative legal strategies available
17 to the NRA under Title 11 of the United States Code and
18 otherwise."

19 Do you see that?

20 A I do.

21 Q Did you ask the Neligan firm to look into legal
22 strategies under Title 11 of the United States Code? In
23 November of 2020?

24 A Yes. We did. We asked them to look at various options
25 and -- and -- and strategies.

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1 Q And --

2 A I -- go ahead. I'm sorry.

3 Q Thank you. Was that a meeting in person that you met
4 with the Neligan firm in November of 2020?

5 A I don't believe it was.

6 Q Was it by telephone?

7 A I may -- I may have talked to them on the phone.

8 Q Was anybody else -- besides you, was there anyone else
9 who asked the Neligan firm to investigate, analyze, and
10 evaluate alternative legal strategies available to the NRA
11 under Title 11 of the United States Code or otherwise?

12 A The -- the attorneys with the Brewer firm, I believe,
13 were engaged with the Neligan -- were -- had communicated
14 with the Neligan firm.

15 Q Did you yourself have direct communication with the
16 Neligan firm in November 2020?

17 A I may have talked with them on the phone. I -- I didn't
18 -- I do not remember meeting them in person until the Dallas
19 meeting we talked about.

20 Q A decision of this magnitude -- you usually use yellow
21 pads to make a record, don't you, of your conversations with
22 people?

23 A I -- I did not use any yellow pads on -- on any of this.

24 Q So when you went to meet with the Neligan Firm in January
25 of 2021 before the board meeting, the -- no SLC, the Special

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1 Litigation Committee, had never met the Neligan firm before,
2 correct?

3 A They met them at that -- at that same meeting I was at.

4 Q That is, the January 2021 meeting?

5 A I believe it was January 7th, 2021. That's correct.

6 Q That was the board meeting, right? So --

7 A It was the date -- I believe it was the -- it was either
8 the -- I think it was after the board meeting, back -- back
9 here at -- back, after the board meeting, at the Brewer firm.

10 Q So, in the meeting with Neligan was the Brewer firm, in
11 addition to the three SLC members and yourself, correct?

12 A Correct.

13 Q Anyone else?

14 A Not that I remember. I don't think Carolyn Meadows was
15 there in person. She was on -- she was on the phone.

16 Q Let me go to -- with respect to the New York Attorney
17 General suit against you personally, --

18 A Yes.

19 Q -- that suit seeks repayment by you of funds to the NRA;
20 isn't that correct?

21 A Yes, it does.

22 Q And you have a personal interest in moving the NRA away
23 from the state regulator which brought the action against
24 you; isn't that correct?

25 A No. Moving the NRA away from the state regulator would

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1 do absolutely nothing to help me. It would help the NRA
2 where the New York AG is trying to dissolve its assets and --

3 Q I --

4 A -- and dissolve the NRA. It would help the NRA prosper
5 and grow and have a chance to survive in the future.

6 MR. SHEEHAN: Your Honor, at this point I'd move to
7 strike as nonresponsive.

8 THE COURT: Sustained.

9 MR. GARMAN: Your Honor, I believe much of that
10 answer was directly responsive to the question.

11 THE COURT: I sustain the objection.

12 BY MR. SHEEHAN:

13 Q Let's move on to -- and your -- did you hear the opening
14 statements of counsel for the Debtor?

15 A No, I did not.

16 Q In his opening statement, as I understand it, he
17 described the NRA's path to compliance in early to mid-2018
18 which began with compliance seminars for hundreds and
19 hundreds of NRA employees. Do you agree that happened in
20 2018?

21 A That happened in July of 2018.

22 Q And did you attend the first compliance seminar?

23 A I did not attend it, but I looked over all the material.

24 Q Did you attend the second compliance seminar?

25 A I did not, but I had seen the material.

1 Q Did you attend the third compliance seminar?

2 A I did not, but I -- I know the material that was
3 presented.

4 MR. SHEEHAN: Can I have Exhibit 56, please?

5 Exhibit 56 is -- I have it.

6 BY MR. SHEEHAN:

7 Q Now, Mr. -- I'm sorry. Mr. LaPierre, do you recognize
8 Exhibit 56?

9 A I do.

10 Q So let's take a look. Even though you didn't attend the
11 program, you say you're familiar with the material, correct?

12 A Correct.

13 Q So take a look at Page 17. Do you see Page 17?

14 A We're pulling it up right now. (Pause.) I see it.

15 Q And you'll see there it talks about transactions
16 implicating covered persons?

17 A I do.

18 Q You see that after the heading?

19 A I do.

20 Q And you'll see the -- you'll see it says, "is subject to
21 actual or apparent undue influence" in the first line
22 underneath the heading? You see that?

23 A I do.

24 Q And do you see the -- "is subject to actual or apparent
25 undue influence -- e.g., has solicited or accepted any gift,

1 entertainment, or favor, where such gift might create
2 appearance of influence (excludes gifts under \$250)." Do you
3 see that?

4 A I do see that.

5 Q All right. And do you see it includes free use of boats,
6 planes, vacation houses, sporting event tickets, or other
7 items as part of a social activity?

8 A I do see that.

9 Q And it's your understanding that, in circumstances where
10 a person, a covered person is subject to actual or apparent
11 undue influence under the policy, there are certain actions
12 that have to be taken, correct?

13 A Yes.

14 Q And you'll see the next bullet says, "Appearance of bias
15 is enough to warrant disclosure, even if you're confident no
16 wrongdoing has occurred." Do you see that?

17 A I do.

18 Q And you understand that the appearance of bias is enough
19 to warrant disclosure? Yes?

20 A I see that.

21 Q Okay. Look at -- now turn to Page 18. You'll see the
22 blown-up paragraph?

23 A I see it.

24 Q "All material facts relating to conflicts of interest,
25 including the nature of your interest and the information

1 about any proposed transaction or other arrangements, are
2 required to be disclosed in good faith in writing to the NRA
3 Audit Committee."

4 Do you see that sentence?

5 A I do.

6 Q And does that remain the policy of the NRA?

7 A It does.

8 Q And was that policy in effect going back to 2013?

9 A Yeah, it -- it probably was.

10 Q Okay. And it says, "Material facts relating to conflicts
11 of interest, you should contact Thomas Tedrick, secretary of
12 the NRA Audit Committee."

13 A Correct.

14 Q And Mr. Tedrick -- was -- Mr. Tedrick is a managing
15 director of the NRA. Correct?

16 A Correct.

17 Q Did you yourself ever make any disclosure of material
18 facts relating to conflicts of interest to Mr. Tedrick?

19 A I did not.

20 Q Do you see the last, the last sentence, "Conflict
21 identification analysis can be difficult, and therefore you
22 are at all times expected to err on the side of caution and
23 disclose all instances where a conflict of interest, the
24 appearance of the conflict exists, even if you do not believe
25 that there's an actual conflict."

1 Do you see that sentence?

2 A I do see that.

3 Q Do you agree that's the policy of the NRA?

4 A I do.

5 Q Let's go on to Page 19. (Pause.) And are you there, Mr.
6 LaPierre?

7 A Yeah. Yes. I'm sorry. I am.

8 Q It's my job to make sure you're seeing it, but let me
9 know if --

10 A No. Thank you.

11 Q -- if I'm going ahead of you.

12 A If any one of the foregoing situations arises -- that is,
13 conflicts of interest with respect to a covered person -- or
14 if you are aware of an actual or apparent conflict of
15 interest, it says you should contact Audit Committee
16 Secretary David Warren.

17 And what is -- is Mr. Warren now the secretary of the
18 Audit Committee?

19 A I believe -- yes, he is, I believe.

20 Q Did you ever contact Mr. Warren concerning a actual or
21 apparent conflict of interest?

22 A I did -- I did not.

23 Q The second link says, "Take steps to ensure the potential
24 conflict is disclosed in writing to the Audit Committee." Do
25 you see that?

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1 A I do.

2 Q Did you ever submit -- did you ever submit any potential
3 conflict in writing to the Audit Committee?

4 A I did not, until -- until the -- until the form this
5 year.

6 Q And when you talk about the form this year, are you
7 talking about the form that is going to be dated January 20,
8 2021?

9 A The -- the --

10 MR. GARMAN: Objection. Objection. Vague and
11 ambiguous question. I don't know what the form is.

12 THE COURT: Sustained. Could you restate your
13 question?

14 MR. SHEEHAN: Sure. Thank you, Your Honor.

15 BY MR. SHEEHAN:

16 Q The -- each year, you prepare a conflict of interest
17 form, correct?

18 A Correct.

19 Q And it's collected by Mr. Frazer, the secretary of the
20 corporation?

21 A Correct.

22 Q And if I understand your point correctly, that for the
23 form which was just distributed in January of 2021, that you
24 prepared a document setting forth your potential conflicts of
25 interest. Is that correct?

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1 A Correct.

2 Q My colleagues tell me we have not -- was that -- we have
3 not received that document. Was that document prepared by
4 you, Mr. LaPierre?

5 A Yes, it was.

6 Q All right. When did you turn it in to Mr. Frazer?

7 A In the last -- last day or two.

8 Q I'm going to ask you to examine Exhibits 270, 271, 272.
9 That's it.

10 MR. GARMAN: Counsel? Regrettably, the witness can
11 only examine one document at a time.

12 MR. SHEEHAN: I gotcha.

13 Let me ask you -- I'd ask to have these admitted. These
14 are -- these are compliance training sign-in sheets. Aren't
15 -- there are -- there are hard binders in the room, too, I
16 think, which might be helpful here with Mr. LaPierre.

17 MR. GARMAN: Yeah. We coordinated before the call
18 and we talked about the options of paper over digital, and
19 the agreement we had was digital, but we can -- we can try
20 and revisit it. Let me look at these exhibits real quick.

21 THE WITNESS: I'm looking at them right now.
22 Forgive me.

23 MR. GARMAN: Forgive me. I'm -- I'm not certain
24 whether or not there was a request to admit these documents.

25 MR. SHEEHAN: I was asking to look at them first.

1 Yes. I request admission of these documents.

2 MR. GARMAN: I don't object to the admission, as
3 long as there's a reservation that I'm not certain this is
4 the complete sign-in list.

5 MR. SHEEHAN: Okay. Agreed.

6 THE COURT: Would that --

7 MR. SHEEHAN: The --

8 THE COURT: Hold on, Mr. Sheehan, if you would.

9 MR. SHEEHAN: Sorry. I'm sorry.

10 THE COURT: Are we talking about 270, 271, and 272?
11 Are those the exhibit numbers?

12 MR. SHEEHAN: That's correct, sir.

13 THE COURT: Okay. Those exhibits are in, with Mr.
14 Garman's caveat.

15 (New York Attorney General's Exhibits 270, 271 and 272
16 are received into evidence.)

17 BY MR. SHEEHAN:

18 Q And the Exhibit 56 that we looked at before was a seminar
19 for upper management, wasn't it?

20 A It -- it was --

21 MR. GARMAN: Hold on, Your Honor, I have an
22 objection. I believe 56 was a -- is a -- was a PowerPoint
23 from 2019, not the management meetings that were -- or, not
24 the compliance meetings that were discussed earlier.

25 THE COURT: Do you want to look at that and restate

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1 your question, Mr. Sheehan?

2 BY MR. SHEEHAN:

3 Q Sir, the PowerPoint that we looked at, Exhibit 56, which
4 has in its title "Upper Management Seminar Compliance and
5 Governance Refresher, dated February 27, 2019," to your
6 knowledge, was that one of the three sessions that you talked
7 about for compliance?

8 A Yes. I believe it was.

9 Q Okay. And was there -- did you require that all of upper
10 management attend the compliance sessions?

11 A We -- we asked all upper management -- as far --
12 management to attend, the division directors to attend the
13 compliance sessions. That's correct.

14 Q But you elected not to attend?

15 A I don't know that I elected not to attend. I may have
16 been out of town. I may have been -- I -- I don't -- I just
17 know I -- I didn't -- I didn't attend it. I read the
18 material.

19 Q You've known David --

20 A Looking back on it, I wish I had attended it.

21 Q I understand that, Mr. LaPierre. You've known David
22 McKenzie and Laura McKenzie for 20 years, correct?

23 A I have known them for a long time.

24 Q All right. And I'm going to use the name McKenzie,
25 although Mr. Stanton -- Mr. McKenzie also uses the name

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1 Stanton, correct?

2 A I believe that's correct.

3 Q And you consider Mr. McKenzie to be a friend?

4 A Well, I consider him a -- in my work, if I'm the
5 quarterback, he's one of the people on the field that can
6 just hit and block and tackle, I mean, helping us win this
7 and further the interests of the NRA. I -- I mean,--

8 Q Mr. LaPierre, I'm going to ask --

9 MR. SHEEHAN: We'll ask the Court to strike anything
10 after yes.

11 THE COURT: Overruled. I think he was trying to
12 answer the question.

13 MR. SHEEHAN: All right.

14 BY MR. SHEEHAN:

15 Q Mr. McKenzie is the owner of Associated Television,
16 correct?

17 A That's correct.

18 Q And that's a -- that's an NRA contractor?

19 A That's correct.

20 Q Mr. McKenzie also owns, in whole or in part, Membership
21 Marketing Partners, Allegiance Creative Group, Concord Social
22 & Public Relations, correct?

23 A I'm not sure, but I believe that's owned by -- by his
24 wife.

25 Q I'm sorry. Which one?

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1 A Laura McKenzie.

2 Q No, what --

3 A MMP.

4 Q Which company?

5 A I think MMP.

6 Q But he owns Allegiance Creative Group and Concord Social
7 & Public Relations?

8 A I'm honestly not sure who owns that, which one of them.

9 Q All right. And Mr. Frazer testified in his capacity as
10 the NRA's corporate representative, "Mr. McKenzie owns or
11 operates, in whole or in part, MMP, ACG, and Concord."

12 Is that consistent with your understanding?

13 A My understanding is -- is -- and I -- I'm not positive of
14 this, is that Laura McKenzie owns MMP.

15 Q Before the pandemic hit -- that is, the COVID-19 pandemic
16 -- you made frequent trips to Los Angeles, correct?

17 A Yes.

18 Q And you met with Mr. McKenzie in Los Angeles several
19 times a year?

20 A Yes.

21 Q And on those trips, you'd fly by private charter, paid
22 for by the NRA, correct?

23 A I'm required to fly private --

24 Q Mr. --

25 A -- by the NRA security.

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1 Q Mr. LaPierre, please answer the question yes or no.

2 A Yes.

3 Q And you'd stay at a hotel in Beverly Hills when you made
4 these trips, correct?

5 A Yes.

6 Q And you'd meet with -- you'd meet with Mr. McKenzie and
7 others over lunch and dinner. Correct?

8 A Correct.

9 Q And you provided gifts to Mr. McKenzie and his wife and
10 their daughter from the National Rifle Association, correct?

11 A Correct. Along with many other people that were key to
12 making the organization succeed, I provided the NRA gifts.

13 Q Mr. LaPierre?

14 MR. SHEEHAN: Your Honor, I move to strike after
15 yes.

16 THE COURT: Sustained.

17 BY MR. SHEEHAN:

18 Q And you stayed on David McKenzie's yachts, correct?

19 A I did.

20 Q And there's -- there's two that -- there are two that
21 you've told us before you've stayed on. One is the
22 Illusions, and the other is Grand Illusion. Is that correct?

23 A Grand Illusion was -- was recruiting celebrities, with
24 celebrities.

25 Q Mr. LaPierre?

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1 MR. SHEEHAN: I'm sorry. Your Honor, I move to
2 strike that answer as nonresponsive.

3 THE COURT: Sustained.

4 BY MR. SHEEHAN:

5 Q You stayed on Illusions, correct, Mr. LaPierre?

6 A I did.

7 Q You stayed on the Grand Illusion; is that correct?

8 A I did.

9 Q You've often visited, over the last eight years, the
10 Bahamas in the summer, correct?

11 A Correct.

12 Q And during those trips, you would stay for a week on the
13 yacht Illusions. Isn't that correct?

14 A That's correct.

15 Q And you started staying on the yacht Illusions in the
16 Bahamas for a week at a time in 2013, correct?

17 A For security, as a security retreat.

18 MR. SHEEHAN: Your Honor, I move to strike as
19 nonresponsive.

20 THE COURT: Sustained.

21 THE WITNESS: Yes, I did.

22 BY MR. SHEEHAN:

23 Q And family members would join you on these trips,
24 correct? That is, the trips on the McKenzies' yachts?

25 A Yes.

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1 Q You went at least once a year until 2019, correct? On
2 the Illusions yacht?

3 A Correct.

4 MR. SHEEHAN: And at this point, I'd like to have
5 New York Attorney General Exhibit 95.

6 MR. GARMAN: I'm sorry, Mr. Sheehan. Did you say
7 95?

8 MR. SHEEHAN: New York AG Exhibit 95, yes.

9 MR. GARMAN: Thank you.

10 BY MR. SHEEHAN:

11 Q Mr. LaPierre, I'd ask you, looking at Exhibit 95, -- I
12 guess --

13 MR. SHEEHAN: At this time, Your Honor, I'd like to
14 have admitted Exhibit 95.

15 MR. GARMAN: Your Honor, I object. It's hearsay.

16 THE COURT: Response on hearsay?

17 MR. SHEEHAN: Your Honor, I'd like to -- my last --
18 well, I'll lay a foundation with the witness.

19 THE COURT: All right. I sustain the objection for
20 now.

21 BY MR. SHEEHAN:

22 Q Mr. LaPierre, can you identify the ship which is shown in
23 Exhibit 95?

24 A Yes. That looks like the boat Illusions. That's the
25 boat Illusions.

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1 Q Okay. And that's the boat that you used in the Bahamas
2 for a week at a time over the last six years, correct?

3 A Correct.

4 Q And it is, in fact, equipped with four staterooms?

5 A I believe so.

6 Q And apart from the crew and the chef, only your family
7 has been on board during your stays, correct?

8 A Correct, although my wife and --

9 MR. SHEEHAN: Your Honor?

10 THE WITNESS: -- work with the Women's Leadership
11 Forum.

12 MR. SHEEHAN: Your Honor, I'd move to strike
13 everything after "Correct."

14 THE COURT: Sustained.

15 MR. SHEEHAN: All right. At this time, Your Honor,
16 I'd like to move the admission of Exhibit 10, now that the
17 witness has identified it.

18 MR. GARMAN: Your Honor, it remains hearsay.

19 MR. SHEEHAN: Your Honor, I'd like to ask the
20 admission of Exhibit 10, only the picture, not the text.

21 THE COURT: The exhibit is 95, I think. The picture
22 is admissible.

23 MR. SHEEHAN: I said 95. I'm sorry. Correct.

24 THE COURT: That's okay. The picture is admitted.
25 The narrative surrounding the picture is not admitted.

1 (New York Attorney General's Exhibit 95 is received into
2 evidence as specified.)

3 BY MR. SHEEHAN:

4 Q In addition to your week-long trips -- by the way, on the
5 yacht Illusions, when you travelled on it, did it come
6 equipped with fuel paid for by someone else?

7 A I -- it had fuel, yes.

8 Q Did it come equipped with food supplies?

9 A Yes, it did.

10 Q And you didn't pay for the food, did you?

11 A I paid for the food if it was -- if it was anywhere off
12 the boat.

13 Q If it was on the boat, you did not pay for it, correct?

14 A I did not.

15 Q In addition to the yacht Illusions, you also spent time
16 on the singular Grand Illusion, correct?

17 A Correct.

18 Q Where did you travel on the Grand Illusion? What places?

19 A I believe around Europe. I believe around Europe with --
20 with celebrities that I was trying to recruit for NRA.

21 Q Okay.

22 MR. SHEEHAN: Move to strike anything that's not
23 geographic, Your Honor.

24 THE COURT: Sustained.

25 BY MR. SHEEHAN:

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1 Q All right. How many times did you go sailing on the
2 Grand Illusion?

3 A I think twice.

4 Q In addition to the two Illusions, the Grand and regular,
5 you also visited the Bahamas in late December through early
6 January, correct?

7 A Correct.

8 Q And on these winter trips, you would often stay at the
9 Atlantis Resort on Paradise Island, correct?

10 A Correct.

11 Q And you did not pay for the hotel stay at the Atlantis
12 Resort on Paradise Island, correct?

13 A I did not. It was a business, trying to -- at a
14 celebrity retreat where I was trying to recruit celebrities
15 for the organization.

16 MR. SHEEHAN: Your Honor, move to strike anything
17 after "I did not."

18 THE COURT: Sustained.

19 BY MR. SHEEHAN:

20 Q Your lodging at the Atlantic Resort and Casino was paid
21 for by David McKenzie during those trips to Paradise Island,
22 correct?

23 A Along with the other celebrities. And I wasn't a
24 celebrity. I was just an invited guest.

25 MR. SHEEHAN: Your Honor, I move to strike the

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1 answer as nonresponsive.

2 THE COURT: Sustained.

3 BY MR. SHEEHAN:

4 Q When Oliver North, Lieutenant Colonel Oliver North was
5 raising concerns with you about the Brewer contracts, you
6 told him that he was precluded by his conflict of interest
7 from raising concerns about the Brewer contracts. Is that
8 correct?

9 A Colonel North was trying to derail our 360 top-to-bottom
10 --

11 MR. SHEEHAN: Your Honor, I'm moving to strike that
12 answer as nonresponsive.

13 THE COURT: Mr. LaPierre, this will go a lot quicker
14 if you'd just listen to the question that's asked and answer
15 it.

16 THE WITNESS: Okay. Yes, sir, Your Honor.

17 BY MR. SHEEHAN:

18 Q Mr. LaPierre, you raised concerns -- conflict of interest
19 concerns with Mr. North when he asked for an independent
20 review of the Brewer law firm, correct?

21 A I did.

22 Q And we've seen in the prior materials we looked at that,
23 if you have a conflict of interest concern, you're supposed
24 to refer it to Mr. Tedrick or Mr. Warren and to the Audit
25 Committee, correct?

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1 A I -- the -- on -- on those forms, yes.

2 Q On those forms? If you have a conflict of interest
3 concern, would you agree with me, Mr. LaPierre, that it's
4 your responsibility as an officer of the NRA to raise it with
5 the Audit Committee?

6 A I did raise it with the Audit Committee. I raised it
7 with Charles Cotton, the chairman of the Audit Committee.

8 Q Okay. So you didn't send it to Mr. Tedrick or Mr.
9 Warren; is that correct?

10 A I did not, but I raised it with the chairman of the Audit
11 Committee.

12 MR. SHEEHAN: Move to strike the answer as
13 nonresponsive after "I did not," Your Honor.

14 THE COURT: Overruled. I think he was trying to
15 answer it.

16 MR. SHEEHAN: Okay. Thank you, Your Honor.

17 Okay. Let's -- the next step, let's take a look at --
18 I'm going to move for the admission of these five exhibits,
19 but let's take just one of them. So the five exhibits, for
20 Counsel and the Court: 314, 316, 315, 364, and 360. And
21 I'll represent to my colleagues and to the Court that these
22 are Wayne LaPierre conflict of interest questionnaires.

23 MR. GARMAN: Counsel, I'm sorry. I didn't catch all
24 the numbers. Could you do it again?

25 MR. SHEEHAN: Sure. 314, '15, and '16, and 364 and

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1 360.

2 And Your Honor, at this time I'd like to request also
3 that the conflict of interest form that Mr. LaPierre said he
4 has filled out in the last day or so be provided to us before
5 tomorrow's session.

6 THE COURT: Any problem with that, Mr. Garman?

7 MR. GARMAN: I don't think so, Your Honor.

8 THE COURT: Thank you.

9 MR. SHEEHAN: All right. So, why don't we do -- Mr.
10 LaPierre, why don't we pull up --

11 THE COURT: Hold --

12 MR. SHEEHAN: -- New York AG Exhibit 316, please.

13 THE COURT: Hold on just a second. Mr. Garman is
14 still looking at those exhibits.

15 MR. GARMAN: If we're on 316, have I been asked to
16 admit this one?

17 THE COURT: Yeah. Three --

18 MR. SHEEHAN: We're asking to admit all five of the
19 COI, conflict of interest forms.

20 MR. GARMAN: Happy -- we're either going to need to
21 wait a minute so I can do all five --

22 MR. SHEEHAN: Sure.

23 MR. GARMAN: -- or we can take them one at a time.

24 MR. SHEEHAN: Why don't we take a minute, because
25 I'm not going to ask questions about all five.

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1 (Pause.)

2 MR. GARMAN: So, Your Honor, as to 314, I agree to
3 admit. There are -- I will note there are blank pages, but I
4 believe they're just the back to some of the forms. So, with
5 the understanding that the blank pages are represented to be
6 just the back, I'm okay with admitting 314.

7 As to three -- as to the remaining documents, no
8 objection to admitting them. I'll just note there were two
9 documents for the year 2018.

10 THE COURT: All right. With that understanding,
11 314, 315, and 316 and '64 and 370 are all admitted.

12 MR. GARMAN: Oh. No, sir. I didn't look at 370. I
13 looked at 360. Perhaps that was my mistake.

14 THE COURT: No. I may have misspoken. It is 360.
15 I'm sorry.

16 (New York Attorney General's Exhibits 314, 315, 316, 360,
17 and 364 are received in evidence.)

18 THE COURT: Mr. Sheehan?

19 MR. SHEEHAN: I'm sorry. Your Honor, I didn't
20 realize.

21 BY MR. SHEEHAN:

22 Q Mr. LaPierre, could you take a look at Exhibit 316?

23 A Yes.

24 Q And can you tell me, is that the conflict of interest
25 form that you signed on 2/8/16?

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1 A Yes, it is.

2 Q All right. And at the last page -- that is, Page 4 of
3 that exhibit -- you'll see what appears to be your signature.
4 Is that your signature?

5 A Yes. It is.

6 Q All right. And above your signature, it says, "By my
7 signature below, I affirm that my answers are true and
8 correct to the best of my knowledge."

9 Do you see that?

10 A I do.

11 Q And when you signed this document, did you believe that
12 to be accurate?

13 A I did, because I was living under incredible threat at
14 the time, and I used the boat --

15 MR. SHEEHAN: Your Honor, I move to strike the after
16 -- I think after "I did."

17 THE COURT: Okay. Mr. LaPierre, --

18 MR. GARMAN: So, Mr. LaPierre, this is -- yeah. Mr.
19 LaPierre, this is Greg. Don't worry. I will be asking you
20 questions at some point --

21 THE COURT: Yes.

22 MR. GARMAN: -- to follow up.

23 THE COURT: Yeah. And I was just about to say
24 almost the same thing. So if you'd just listen to Mr.
25 Sheehan's questions and answer that. Your side is going to

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1 have an opportunity to explore probably the things that
2 you're wanting to tell me.

3 MR. SHEEHAN: Mr. LaPierre, --

4 THE WITNESS: Okay.

5 MR. SHEEHAN: I'm sorry.

6 BY MR. SHEEHAN:

7 Q If you look at the second bullet on Page 4, it says,
8 "I've received a copy of the NRA's conflict of interest and
9 related-party transaction policy." And was that -- was that
10 true and correct as of February 8, 2016?

11 A Yes.

12 Q All right. And the third bullet says, "I have read and
13 understand that policy and agree to comply with it." Was
14 that true and correct as of February 8, 2016?

15 A Yes. I'd read the policy. Yes.

16 Q And you understood it?

17 A And --

18 Q And you understood it?

19 A I did.

20 Q And you agreed to follow it?

21 A I did. I believed there were special circumstances that
22 that --

23 Q No. No, Mr. LaPierre, --

24 MR.: SHEEHAN: Your Honor, move to strike as
25 nonresponsive after "I did."

1 THE COURT: Sustained.

2 BY MR. SHEEHAN:

3 Q Now, this document that is dated 2/8/2016, did you fill
4 it out at the annual meeting? Or did you fill it out at a
5 meeting of the NRA?

6 A I -- I might have.

7 Q Okay. If you look at the first page of Exhibit 316,
8 you'll see, "Unless the question states otherwise, you only
9 need to answer with respect to calendar year 2015." Right?
10 You see that?

11 A Yes.

12 Q And if we go down to the questions and if you look at
13 Question 4. Do you see that question? "Have you or any
14 relative received or do you or any relative expect to receive
15 any gift, gratuity, personal favor, or entertainment with
16 either a retail price or fair market value in excess of \$300
17 from any person or entity that has or is seeking to have a
18 business relationship where it will receive funds from NRA or
19 any NRA entity?"

20 Do you see that?

21 A I do.

22 Q And you checked the box no, correct?

23 A I did. And I believe -- now to do -- is one of the
24 mistakes that I made.

25 Q Okay. And it was -- and was -- the transaction with the

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1 McKenzies in which you received in 2015 a week on the yacht
2 Illusions in the Bahamas, do you believe that exceeded \$300
3 now?

4 A I do.

5 Q Did you consider, under the policy that you said that you
6 had read and followed, whether the use of the yacht Illusions
7 in 2015 was in violation of the conflict of interest policy?

8 A I believe now that it -- it should have been -- it should
9 have been -- should have been disclosed. It's one of the
10 mistakes I made.

11 Q Going back to 2016 when you signed this document, though,
12 did you approach Mr. Warren or Mr. Tedrick or your -- the
13 corporate secretary for advice on whether the -- whether to
14 accept the use of the ship, the yacht Illusions, in 2015?

15 A I did not because if it was a security issue, --

16 Q Mr. --

17 A -- that was private.

18 MR. SHEEHAN: Your Honor, I move to strike
19 everything -- "I did not."

20 THE COURT: Sustained.

21 BY MR. SHEEHAN:

22 Q Mr. LaPierre, --

23 MR. GARMAN: Mr. Sheehan? Mr. Sheehan? Pardon my
24 interruption. I am terribly sorry. I am not quite sure what
25 exhibit we're looking at right now.

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1 MR. SHEEHAN: Oh, I'm sorry.

2 MR. GARMAN: Is it 315 or 316? I think I confused
3 myself.

4 MR. SHEEHAN: Okay. It's Exhibit 316. Did you want
5 me to go through again?

6 MR. GARMAN: No, no, sir. I just wanted to make
7 sure I was following along.

8 MR. SHEEHAN: Okay.

9 BY MR. SHEEHAN:

10 Q Did you offer, Mr. LaPierre, to pay the McKenzies for the
11 use of the yacht Illusions in 2015?

12 A I did not.

13 Q Mr. LaPierre, if we went through the other conflict of
14 interest forms between 2013 and 2020, each of the -- it's
15 true, isn't it, that each of the boxes in Number 4 are
16 checked no?

17 A That's correct.

18 Q And you now believe that those answers were incorrect?

19 A I believe it was a mistake -- one of the mistakes I made
20 now, not listing it. It --

21 MR. SHEEHAN: I apologize, but I'm going to have to
22 move to strike after "Yes."

23 THE COURT: Sustained.

24 MR. GARMAN: Your Honor, I believe that it was
25 responsive.

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1 THE COURT: Yes. I'm going to take that back. I'm
2 going to let the answer stand.

3 MR. SHEEHAN: Okay.

4 BY MR. SHEEHAN:

5 Q And with respect to each of the other years besides the
6 2016 report that is Exhibit 316 for 2015, the answer should
7 have been yes in each of those cases, correct, as to Question
8 4?

9 A Knowing what I know now, the answer should have been yes.

10 Q And that is as to the yacht Illusions, correct?

11 A Correct.

12 Q When you were examined in -- strike that. In addition to
13 your work with the McKenzies, in addition to the trips and
14 gifts from the McKenzies, you also received free hunting
15 trips, including all expenses paid for by Under Wild Skies,
16 an NRA vendor; isn't that true?

17 A Yes. That was all work.

18 Q All right. Including an elephant-hunting trip -- you
19 received an elephant-hunting trip in Africa with your spouse
20 in 2014, correct?

21 A As part of the work for NRA on -- yes.

22 Q Thank you, Mr. LaPierre. And your water buffalo hunt in
23 Botswana? Was that a free hunting trip as well?

24 A We were filming the television show *Under Wild Skies* for
25 NRA.

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1 Q Mr. LaPierre, could you -- did you receive a trip to
2 Botswana for your water buffalo hunt paid for by Under Wild
3 Skies in 2014?

4 A Yes, as part of my work for NRA.

5 Q And did your spouse accompany you on that water buffalo
6 hunt?

7 A Yes, she did, as part of projecting her image for the
8 NRA.

9 Q And Mr. --

10 MR. SHEEHAN: Your Honor, could I ask that the
11 answer be stricken after "Yes"?

12 THE COURT: Yes. Sustained.

13 BY MR. SHEEHAN:

14 Q So when you went on your hunts -- let's back up. Under
15 Wild Skies not only paid for your hunting trips, right,
16 including the guides, the hunters, the permits, and internal
17 travel, they paid for all of that, correct?

18 A As part of the television show that we were filming for
19 NRA.

20 MR. SHEEHAN: Your Honor, move to strike the answer
21 as nonresponsive.

22 THE COURT: Sustained. I mean, --

23 MR. GARMAN: Your Honor, if I might be heard.

24 THE COURT: Hold on. I sustained it, but I meant to
25 overrule. Overruled. I think he was trying to respond to

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1 it.

2 BY MR. SHEEHAN:

3 Q So, let me ask you, Mr. LaPierre. Under Wild Skies did
4 pay for your airfare, your licenses, the professional
5 hunters, and the game equipments on each of the trips you
6 went on for Under Wild Skies, correct?

7 A As part of my work for the NRA.

8 MR. SHEEHAN: Your Honor, I move to strike the
9 answer as nonresponsive.

10 THE WITNESS: Well, but that -- that's why -- that's
11 why we were doing it, was to project NRA's image in the
12 hunting field in front of our members, in front of potential
13 high donors, and to have hunters understand that NRA was
14 their organization so they would bond to it, to bring in
15 members and money into the NRA from that segment, where NRA
16 was doing all the legislative work but not being perceived as
17 a hunting organization.

18 THE COURT: All right. Let's go backwards for a
19 second. Mr. LaPierre, please don't do that again, all right?
20 There wasn't a pending question. So that part is struck.

21 And second, I will let your answer -- I think you were
22 attempting to answer briefly the question.

23 Would you not make me keep saying that, too? Would you
24 please listen to the question --

25 THE WITNESS: Yes, sure, Your Honor.

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1 THE COURT: -- and answer it only? Because I've
2 done that a few times this afternoon.

3 THE WITNESS: I'm sorry. I apologize.

4 BY MR. SHEEHAN:

5 Q Isn't it true, Mr. LaPierre, that Under Wild Skies paid
6 for you to preserve hunting trophies and the animals you shot
7 on Under Wild Skies' trips, to send them back to your home in
8 Virginia?

9 A They did.

10 Q Thank you.

11 MR. SHEEHAN: One second, please.

12 (Pause.)

13 MR. GARMAN: Your Honor, I would, certainly at Mr.
14 Sheehan's discretion, but I'd request that we take our short
15 afternoon break at some point coming up.

16 THE COURT: I was looking at the hour. I was
17 thinking about doing it at 5:00. But if this is a good spot,
18 I'll be happy to stop now.

19 Mr. Sheehan, are you at a good spot to stop for just a
20 few minutes?

21 MR. SHEEHAN: That works, Your Honor.

22 THE COURT: The witness has been testifying for an
23 hour and a half.

24 MR. SHEEHAN: Thank you.

25 THE COURT: The witness is coming off of surgery and

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1 he's been testifying for an hour and a half, which in and of
2 itself is not very pleasant, I'm sure.

3 We'll take a, you know, about a ten-minute recess. My
4 intentions are to go slightly past 6:00 o'clock tonight
5 Central time.

6 MR. GARMAN: Thank you, Your Honor.

7 THE WITNESS: Thank you, Your Honor.

8 THE COURT: Oh, Mr. LaPierre, you haven't heard me
9 say this before. There has been an evidentiary rule invoked,
10 and you're not to speak with anyone about your testimony
11 during the break. Do you understand that?

12 THE WITNESS: I do, Your Honor.

13 THE COURT: All right. We'll be in recess for about
14 ten minutes.

15 MR. GARMAN: Your Honor?

16 THE COURT: Yes?

17 MR. GARMAN: I'm terribly sorry, Your Honor. This
18 is Greg Garman. Might I speak with the witness just of the
19 mechanics of the question-and-answering session?

20 THE COURT: I would be very pleased if you spoke
21 with the witness about that. Obviously, not about the
22 substance. And I have every confidence that you know how to
23 draw the line on that, Mr. Garman.

24 MR. GARMAN: Of course, Your Honor.

25 MR. GRUBER: And Your Honor, this is Mike Gruber.

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1 Could we just confirm who the corporate representative is for
2 the NRA?

3 THE COURT: Sure.

4 MR. GARMAN: Your Honor, we haven't designated a
5 corporate representative, and no one has been sitting in with
6 us.

7 THE COURT: Okay.

8 MR. GRUBER: Okay. Thank you.

9 (A recess ensued from 4:53 p.m. until 5:04 p.m.)

10 THE WITNESS: Yes, Your Honor.

11 MR. GARMAN: Your Honor? Your Honor, I'm sorry.
12 This is Greg Garman. We're still regathering.

13 THE COURT: That's fine. It's fine. We can wait.

14 MR. GARMAN: Yeah. Your Honor, I would like to just
15 note for the record the 2021 disclosure was requested of the
16 Debtor. We don't have it to the Court yet, but we have
17 supplemented with Exhibit 661 to the other parties, and I
18 believe we have already distributed that, but if we haven't
19 it'll be relatively shortly.

20 THE COURT: Thank you, Mr. Garman.

21 MR. SHEEHAN: And I will acknowledge, Your Honor,
22 receipt of Exhibit 661. Thank you.

23 And I will just point out to Your Honor for the record
24 that I'm not Emily Stern, although underneath my picture is
25 her name because it's her computer.

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1 Mr. LaPierre, are you ready to go?

2 THE WITNESS: Yes, I am.

3 THE COURT: Could we wait just a second? I don't
4 think Mr. LaPierre's attorney is in the room yet. It's
5 coming right now.

6 MR. CORRELL: Mr. Correll is back.

7 THE COURT: All right. You now may proceed.

8 MR. SHEEHAN: Okay. At this time, Your Honor, I'd
9 ask the -- move the admission of Exhibit 661, which is the
10 2021 conflict of interest form. And I -- I may have more
11 questions tomorrow, but -- since I just got it. But, I mean,
12 I just want to ask Mr. LaPierre.

13 BY MR. SHEEHAN:

14 Q If you look at the bottom of the form, --

15 MR. GARMAN: Well, I'm sorry. Just for the
16 avoidance of doubt on the record, Your Honor, there's no
17 objection.

18 THE COURT: All right.

19 MR. SHEEHAN: You'll see, Mr. LaPierre -- I'm sorry,
20 Your Honor.

21 THE COURT: Could you hold on just one second? The
22 exhibit is in, but I'm not sure we have a copy of it here
23 yet. Do we?

24 (New York Attorney General's Exhibit 661 is received into
25 evidence.)

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1 MR. SHEEHAN: I think we're trying to screen share,
2 Your Honor.

3 THE COURT: Go ahead.

4 MR. GARMAN: Your Honor, we will -- we will make
5 sure that we email a true and correct and identical copy of
6 661 to your Court here shortly.

7 THE COURT: That'd be fine. Send it to Mr. Manz, if
8 you have his email. You probably do.

9 MR. SHEEHAN: I think at this -- we --

10 BY MR. SHEEHAN:

11 Q Mr. LaPierre, do you have Exhibit 661? Do you see it on
12 the screen there?

13 A Yes, I do.

14 Q All right. And you'll see that it's dated -- what
15 appears to be your signature. Is that your signature on
16 Exhibit 661?

17 A It is.

18 Q And you'll see it's dated 4/7/21?

19 A Correct.

20 Q I've sort of lost track of what day it is. Is that
21 today?

22 A Yeah, it is. I filled it out yesterday, but we made a
23 change today, and so I -- I had to add Sea Girt, and so I --
24 it's signed today.

25 Q So are there actually two forms?

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1 A No. This is the form.

2 Q Did you -- did you execute a form yesterday, too?

3 A No, I did not execute one yesterday.

4 Q Why don't we do this. I'm going to -- I want to look
5 this over tonight and then ask you questions about it
6 tomorrow, just because it's fresh off the press.

7 Let's move on to Exhibit --

8 MR. SHEEHAN: One second, Your Honor.

9 (Pause.)

10 MR. SHEEHAN: Your Honor, at this time I would move
11 the admission of Exhibit 339 into evidence.

12 THE WITNESS: I do.

13 BY MR. SHEEHAN:

14 Q All right.

15 A No, I --

16 MR. GARMAN: No. Your Honor, no objection.

17 THE COURT: 339 is in.

18 (New York Attorney General's Exhibit 339 is received into
19 evidence.)

20 BY MR. SHEEHAN:

21 Q Now, Mr. LaPierre, you're familiar with a store in
22 Beverly Hills, California, called Zina?

23 A I am.

24 Q All right. And you'll see here on Exhibit 339 -- did you
25 ever receive Exhibit 339 before today?

1 A Yes, I have seen this.

2 Q Okay. And do you know under what circumstances -- the
3 -- the letter represents -- it involves clothing purchases by
4 Ackerman McQueen on your behalf. And in the letter, Mr.
5 Winkler says they were -- your ward -- "We need to address
6 your wardrobe. You required us to provide specifically
7 purchases at the Zina store in Beverly Hills, California."

8 Do you see that?

9 A I do.

10 Q It says, "Due to the substantial nature of the total, we
11 should address these items immediately." And it lists out a
12 dollar number of \$274,695.03. Do you see that?

13 A I do see that.

14 Q And you'll see attached is a list of purchases by date
15 and amount. Do you see that? On the back?

16 A I do see that.

17 Q All right. And did you receive from the Zina store
18 clothing in a value of \$275,695.03 paid for by Ackerman
19 McQueen?

20 A I never saw the receipts. Ackerman McQueen set it up.
21 It was their idea that I acquire a wardrobe for television
22 and all the appearances that I did. They set it up. The
23 receipts went to them.

24 This was the opening salvo of their extortion attempt to
25 try to get me to withdraw --

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1 MR. SHEEHAN: Your Honor, I'm going to ask that
2 after "receipts went to them," that the rest of the answer be
3 stricken.

4 THE COURT: Sustained.

5 BY MR. SHEEHAN:

6 Q So, Mr. LaPierre, you'll see that the dates go from
7 4/7/2004 all the way up to 2/12/2017, correct?

8 A Correct.

9 Q And does -- let's talk a little about Zina and -- you
10 would show up at the store, correct?

11 A Correct.

12 Q The physical store, correct?

13 A Correct.

14 Q And they would have laid out for you clothing that you
15 might be interested in, correct?

16 A Suitable for television appearances.

17 Q And did you make any suggestions? Did you have a regular
18 sales rep at Zina?

19 A There was -- there was someone that I worked with most of
20 the time, yes.

21 Q Who is that?

22 A A man, his first name is Noah. I don't know his last
23 name.

24 Q Okay. And so you would go into the store, you would look
25 at the things they had selected, and you would take what you

1 wanted, correct?

2 A They would make suggestions as to what looked good for
3 television and what ties looked good for television, what
4 suits looked good for television.

5 Q And you would -- you would -- they would pack them up,
6 you'd take them with you. Is that correct?

7 A No, I wouldn't take them with me. They would -- they
8 would ship them.

9 Q Okay. And the most recent visit you went on was on
10 2/12/2017. Is that correct?

11 A That sounds correct.

12 Q Okay. \$21,000? \$21,880?

13 A That would be for television wardrobe that -- suggested
14 by Ackerman McQueen.

15 Q Did you have to call up Ackerman McQueen each time you
16 went to Zina to ask for permission to get another suit?

17 A They were telling me to update my wardrobe and to keep my
18 wardrobe updated, and yes, we talked about it.

19 Q All right. Did Ackerman -- anyone from Ackerman McQueen
20 come with you to the store?

21 A No, I don't believe they did.

22 Q Did your wife come with you to the store?

23 A I think she may have been there once. One time.

24 Q And these were during -- when you were out visiting the
25 McKenzies in Beverly Hills?

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1 A Or when I was out there doing speeches in the area or
2 meeting with donors or meeting with celebrities.

3 Q So, the Ackerman firm paid for these, this clothing,
4 correct?

5 A As wardrobe --

6 Q Okay.

7 A -- for work.

8 Q Right. Did you ever offer to pay them for the clothing
9 that you got?

10 A No. It was work wardrobe that -- I never wore it other
11 than work.

12 Q Okay. Mr. LaPierre, if we'd stick to yes or no here.

13 A Yes.

14 Q So, okay. Did you offer to pay Ackerman for the suits?

15 A No.

16 Q Did the NRA pay Ackerman for the suits?

17 A NRA did not pay Ackerman for the suits. The --

18 Q So those --

19 A Ackerman left the impression NRA paid Ackerman.

20 MR. SHEEHAN: I object and move to strike.

21 THE COURT: Sustained.

22 BY MR. SHEEHAN:

23 Q Mr. LaPierre, the NRA did not pay for the suits, correct?

24 A Correct.

25 Q And you did not pay for the suits, correct?

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1 A Correct.

2 Q So the suits were a gift, correct?

3 A No.

4 Q Okay.

5 A They were work -- they were work wardrobe.

6 Q Okay. Let's move on to the next set of issues.

7 MR. SHEEHAN: And if we can pull up 2019 Form 990,
8 which is Exhibit -- Exhibit 8.

9 BY MR. SHEEHAN:

10 Q Mr. LaPierre, do you have Exhibit 8?

11 MR. GARMAN: I'm sorry. I'm sorry, Mr. Sheehan. I
12 believe this has been admitted, but I just would like to
13 reiterate that I believe we had an objection to the extent
14 that it was unsigned. But I have no other objection to the
15 use of the document.

16 MR. SHEEHAN: Okay. Why don't I -- why don't we
17 address that objection right now.

18 If you look at the back, at the last page of Exhibit 8,
19 you'll see there's an exempt organization declaration and
20 signature for electronic filing.

21 BY MR. SHEEHAN:

22 Q Mr. LaPierre, do you recognize your signature on that
23 last page of Exhibit 8?

24 A I do.

25 MR. SHEEHAN: Does that address, Mr. Garman, your

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1 objection?

2 MR. GARMAN: I think it does. I think it does.

3 Just would again like to note that it wasn't otherwise

4 signed. But I have no objection to you using the document.

5 And I believe it's been admitted.

6 THE COURT: 8 is in. Of course, I didn't write "In"

7 on the first day of the hearing, so I can't tell you whether

8 I admitted it then, but it's now in evidence.

9 MR. SHEEHAN: Thank you.

10 (New York Attorney General's Exhibit 8 is received into
11 evidence.)

12 BY MR. SHEEHAN:

13 Q So, Exhibit 8, Mr. LaPierre, is a true and -- is a copy
14 of what was filed with the Attorney General's Office of the
15 State of New York on November 18, 2020. And you'll see in
16 the -- there's a signature block, and the signature where it
17 says, Sign Here, Wayne LaPierre.

18 So, you did review and sign for this 990; is that
19 correct?

20 A I did.

21 Q And if we look to the signature block, you'll see it says
22 "Under penalties of perjury, I declare I've examined this
23 return, including accompanying schedules and statements, and
24 to the best of my knowledge and belief it is true, correct,
25 and complete."

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1 Do you see that?

2 A I do.

3 Q Okay. When you signed this document, was that
4 representation correct?

5 A Yes. I believe it was. It was prepared for by the -- by
6 the tax -- outside tax professionals, by our tax
7 professionals, and --

8 MR. SHEEHAN: Your Honor, move to strike the answer
9 after "Yes," --

10 THE COURT: Sustained.

11 MR. SHEEHAN: -- "I believe it was."

12 THE COURT: Sustained.

13 BY MR. SHEEHAN:

14 Q Now, as to this 990 return, isn't it true that Mr. Craig
15 Spray refused to sign this return?

16 A I don't -- I don't know that to be true or not.

17 Q Okay. If you turn to Schedule L, Part 5, Page 50 of the
18 990.

19 MR. SHEEHAN: And do we need a -- a PDF number for
20 that?

21 MR. GARMAN: Yes, counsel, if you -- if you have it.

22 MR. SHEEHAN: Yeah. So it's Page 82 of the 990, but
23 it looks -- Mr. Thompson, can you tell me what page of the
24 exhibit it is? Page 49 of the PDF. And then --

25 MR. GARMAN: So I think that's Page 86 of the 990,

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1 Counsel?

2 MR. SHEEHAN: Well, 82. Let's start with 82. We'll
3 go to 86 in a moment. It says, Schedule L says, Transactions
4 with Interested Persons.

5 MR. GARMAN: Okay. I think that's Page 45 of the
6 PDF.

7 MR. SHEEHAN: All right. You'll see, in -- in Part
8 1, it lists out a series of individuals, right? Mr. Powell,
9 Mr. Cox, Mr. Lehman, Mr. LaPierre, Mr. Phillips. And then it
10 says, See Statements. Right? And the statements is set
11 forth on Part 5.

12 BY MR. SHEEHAN:

13 Q But at the time you signed this, Mr. LaPierre, did you
14 believe that each of those people received excess benefit
15 transactions from the NRA?

16 A (pause) Yeah, I -- I believe it had -- it was -- it was
17 accurately -- accurately filled out.

18 Q Do you believe it was complete?

19 A As far as I know.

20 Q All right. What effort did you make to determine
21 whether, in fact, Schedule L was correct?

22 A I relied on the tax -- outside tax professionals that
23 worked with us and worked with our treasurer's office in
24 terms of preparing this and worked with our general counsel's
25 office in preparing it.

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1 MR. SHEEHAN: Your Honor, at this point, there --
2 there is a significant issue with respect to privilege, and
3 the privilege was asserted repeatedly in the context of the
4 examination of both Mr. LaPierre and other witnesses
5 concerning the preparation of Schedule L.

6 Each time we asked for it, we were told that it was
7 privileged and not available for disclosure. And so that was
8 one of the subject of our motion last week. And we would ask
9 that any testimony about information which Mr. LaPierre
10 obtained or was given by attorneys be barred in this
11 proceeding because we did not get a fair chance to examine
12 him.

13 THE COURT: Mr. Garman?

14 MR. GARMAN: Your Honor, I'm not quite sure what --
15 what's being -- what's being asked at this point in time.
16 Mr. LaPierre testified that this was partially prepared by
17 tax counsel. I understand the sword and the shield issue,
18 but I don't quite understand what's being asked at this point
19 in time.

20 THE COURT: Okay. I think you have to ask questions
21 and then let me rule on them.

22 MR. GARMAN: Yeah. Your Honor, I have a separate
23 issue. I'm seeing on my screen that there's a -- a
24 livestream broadcaster, it's called Exploit (phonetic)
25 Broadcaster, that shows up as a virtual camera, and I looked

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1 it up on the Internet and it appears to be a livestreaming
2 software application.

3 THE COURT: Thank you for bringing that to my
4 attention.

5 (Pause, 5:21 p.m.)

6 THE COURT: Just for the record -- thank you, Mr.
7 Garman -- we're going to terminate that livestream.

8 MR. SHEEHAN: Your Honor, should I go ahead?

9 THE COURT: Okay.

10 BY MR. SHEEHAN:

11 Q So, Mr. LaPierre, if you look at Schedule L, Part 5, you
12 will see a series of text concerning excess benefit
13 transactions entered into by -- by disqualified persons at
14 the NRA. Do you see that?

15 A Are you talking about the one starting with Joshua
16 Powell?

17 Q Is it -- no, there's a -- there is a -- there's a general
18 statement first, yes, and then it says -- goes to Josh
19 Powell.

20 A Yes, I see that.

21 Q Can you tell me what the source of this text is with
22 respect to Mr. Josh Powell on Part 5, Page 86, of the 2019
23 IRS 990 at Schedule L?

24 MR. GARMAN: Your Honor, I have an objection to
25 foundation. Mr. LaPierre's testimony is that he did not

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1 prepare this document and it was prepared by others.

2 BY MR. SHEEHAN:

3 Q Mr. LaPierre, you signed this document, correct?

4 A Relying on the advice of outside tax counsel, our general
5 counsel, and our treasurer's office.

6 Q Is it fair to say -- you signed it. It was to the best
7 of your knowledge, opinion, and belief. Correct?

8 A That their work was accurate and -- and -- that their
9 work was accurate.

10 THE COURT: Lack of foundation --

11 BY MR. SHEEHAN:

12 Q So you made no independent effort --

13 THE COURT: Hold on just --

14 MR. SHEEHAN: I'm sorry, Your Honor.

15 THE COURT: Hold on just a second. Lack of
16 foundation is overruled.

17 BY MR. SHEEHAN:

18 Q Mr. LaPierre, you made no independent effort to determine
19 if anything on this IRS 990 for 2019 -- that is, Exhibit 8 --
20 was correct. Is that right?

21 A I read over the whole form and I -- I thought I was
22 entitled to rely on -- on the work of tax --

23 MR. SHEEHAN: Your Honor, move to strike. Move to
24 strike as nonresponsive.

25 THE COURT: I sustain that.

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1 MR. GARMAN: Your Honor, I believe he's responding.

2 THE COURT: I sustain the objection. If you'll just
3 listen carefully to the question and try to answer that, we
4 can get done much quicker.

5 BY MR. SHEEHAN:

6 Q Mr. LaPierre, would you agree with me that you made no
7 independent effort to determine whether the IRS 990, Exhibit
8 8 in this case, was correct?

9 A I was aware that there were issues pending with these --
10 with these people.

11 Q Okay.

12 A But I made no independent effort to verify --

13 Q Anything -- anything on this IRS 990 form. Is that
14 correct?

15 A Well, I read it all, assuming it -- believe -- to make --
16 to see if I saw anything that I thought was inaccurate.

17 Q And did you see anything that was inaccurate on the draft
18 that you saw?

19 A No, I -- nothing came to my attention or I would have
20 spoke up.

21 Q Okay. Who did you get the draft 990 from, as you
22 conveyed?

23 A I believe it was presented to me by -- by our -- I think
24 our general counsel.

25 Q And did -- sorry.

1 A Or it could have been put to me by Vanessa Shahidi, who
2 works with me in my office. But I believe it was general
3 counsel.

4 Q And did you -- did you ever ask anybody what the source
5 of the information contained on the 990 was?

6 A Yes. It was tax professionals on the outside, our
7 treasurer's office, and our general counsel's office.

8 Q Is that what you were told by Mr. -- by Mr. Frazer?

9 A I talked with John Frazer about this, and then I knew the
10 outside tax professionals were working on it and I knew out
11 treasurer's office --

12 Q And how -- how did you know it was accurate? The form
13 that you were presented, how did you know it was accurate?
14 Did you make any -- I apologize. Let me go back a step. Why
15 don't we do this with respect just to Page 86. You'll see a
16 representation as to Mr. Joshua Powell. Mr. Powell charged
17 the NRA or had reimbursed by the NRA various personal
18 travels, cellular, and other expenses -- do you see that --
19 which Mr. Powell knew or should have known were not
20 appropriate to submit as business expenses.

21 A I'm sorry. We need -- we need to find the -- I'm sorry,
22 Mr. Sheehan. We need to find the section you're referring
23 to. Do you have a page number?

24 Q Page 86, which is PDF Page 49.

25 A I see exercise benefit transaction, Joshua Powell.

1 Q So look at the second paragraph.

2 A Is that what you're referring to, Mr. Sheehan?

3 Q Yeah, exactly. Look at the second paragraph.

4 A (Pause.) Yes, I read that. I read through that.

5 Q All right. How would you know that this statement about
6 Mr. Powell is accurate?

7 A Because I was relying on the attorneys and the
8 treasurer's office that I believe I was entitled to rely on
9 in terms of preparing it.

10 Q Okay. So you relied upon attorneys; is that correct?

11 A And our treasurer's office.

12 Q How do you -- what attorneys did you rely upon in
13 preparing this document?

14 A Mr. -- Mr. Frazer and outside tax counsel that they
15 worked with.

16 Q And is it your belief, sitting here today, that these
17 statements of what Mr. Powell owed were done by tax counsel?

18 A I believe they were done by tax counsel and -- and -- and
19 our attorneys.

20 Q All right. So --

21 A Whether they were within the general counsel's office or
22 whether there were other attorneys that were working on the
23 whole self-correction compliance issues for the NRA.

24 Q How do you know -- I'm sorry. How do you know that this
25 estimate of what is owed by Mr. LaPierre is correct?

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1 MR. GARMAN: Objection to the question. I think he
2 identified the wrong person.

3 THE COURT: I think you meant Mr. Powell.

4 MR. SHEEHAN: I'm sorry. Mr. Powell? Mr. Powell.
5 That's correct. I'm sorry. It's getting late in the day.

6 BY MR. SHEEHAN:

7 Q How do you know that the calculation, Mr. LaPierre, with
8 respect to Josh Powell is correct?

9 A Because that is the -- was prepared by the tax counsel
10 and our treasurer's office and our attorneys. And I relied
11 on them in terms of their preparation of it.

12 MR. SHEEHAN: Your Honor, I'm going to continue
13 through the other -- the other people listed on the chart.

14 BY MR. SHEEHAN:

15 Q Let's talk about Mr. Cox. Where did the numbers with
16 respect to Mr. Cox, the claims against Mr. Cox come from?

17 A They came from the top-to-bottom review, a 360-review of
18 the -- all NRA employees and outside vendors that we were
19 doing to self-correct if NRA was doing anything out of
20 compliance with New York State not-for-profit law. And
21 that's where that came, out of that investigation.

22 Q Okay. Did you apply the same standards to determining
23 what Mr. Cox's excess benefit transactions were that you
24 applied to all the other people on this list?

25 MR. GARMAN: Object to the foundation of the

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1 question.

2 THE COURT: Sustained.

3 BY MR. SHEEHAN:

4 Q Do you know what process was used to determine the amount
5 of excess benefit transaction that the NRA claimed was due
6 from Mr. Cox?

7 A I don't. That is an issue the attorneys are working on
8 and are still working on.

9 Q Okay. But there are specific numbers here, correct, as
10 to what Mr. Cox -- I'm sorry -- in excess of -- in excess of
11 \$1 million that you're saying Mr. Cox got improperly,
12 correct?

13 A That is an issue that the attorneys are working on. In
14 fact, I think it's in -- it's in either litigation or
15 mediation right now.

16 Q But Mr. LaPierre, you made the representation in Schedule
17 L, Part 5, that Mr. Cox owed over a million dollars. What
18 did you base that on?

19 MR. GARMAN: Your Honor, I object to the foundation
20 of the question. The -- there is no representation that is
21 contained in the signature block.

22 THE COURT: Do you want to just restate your
23 question?

24 MR. SHEEHAN: Sure.

25 BY MR. SHEEHAN:

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1 Q What it says under Mr. Cox is, "To date, the aggregate
2 excess benefit from 2015 to June 26, 2019, determined to be
3 provided to Mr. Cox is in excess of a million dollars."

4 So what I'll ask you about is the determination that it's
5 in excess of a million dollars. How did you come to that --
6 how did the NRA come to the conclusion that he owed an excess
7 of a million dollars?

8 A The attorneys that are working on the compliance and
9 self-correction, that have been working on it since 2017 and
10 investigating all NRA employees, including myself, and all
11 vendors, that's -- that's the conclusion the attorneys have
12 come to.

13 Q So you relied, in putting together Schedule L, Part 5,
14 referring to Mr. Cox, you relied upon the work of the
15 attorneys to make that determination?

16 A I did.

17 Q And no one at the NRA made any determination apart from
18 the attorneys about how much Mr. Cox owed; is that correct?

19 A I'm not aware of -- I'm not aware of anything beyond --
20 beyond the attorneys worked on it.

21 Q Okay. Let's go to -- if you look at the second
22 paragraph, when -- when -- the second paragraph of the Cox
23 language. When the evaluation was done of excess benefit
24 payments to you, Mr. LaPierre, isn't it correct that the only
25 amounts included were for certain air travel, correct?

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1 A That's correct.

2 Q Now you'll see, with Mr. Cox, they have represented here
3 that he caused the expense to be paid by the NRA or advanced
4 to himself -- I'm sorry, very tough to read this. He -- he
5 had -- let me start again.

6 "Caused the expense to be paid by the NRA or reimbursed
7 to him for personal family travel, business trips utilizing
8 unapproved charter or first-class travel, tickets to sporting
9 and entertainment events, and meals or hotel expenses which
10 are not approved by the NRA."

11 Do you see that?

12 A I do.

13 Q Did the NRA look at your travel and entertainment
14 expenses in the same -- I'm sorry, the sporting and
15 entertainment events -- as they did with Mr. Cox?

16 A I think the NRA has looked at -- at me as well as every
17 other employee.

18 Q Well, did you ever get asked, in the course of a review
19 of your excess benefits, about your attendance at sporting
20 and entertainment events?

21 A No, but I didn't -- I didn't have any excess benefits.

22 MR. SHEEHAN: Move to strike the answer, Your Honor,
23 after "No."

24 THE COURT: Sustained.

25 BY MR. SHEEHAN:

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1 Q Mr. LaPierre, is it true that the only benefits -- the
2 only activities that were looked at for you were airfares
3 with respect to the excess benefits calculation?

4 A I don't -- I don't know that to be true. I think -- I
5 think the law firms that were working compliance and a top-
6 to-bottom 360 review of all employees looked at -- looked at
7 a lot of things in terms of all employees, including me.

8 Q But when I asked you those questions in your deposition,
9 your attorneys did not permit you to answer. Can you now
10 answer about what they looked at?

11 A I don't know everything they looked at.

12 Q Okay. Let's take a look at the Schedule L Wayne LaPierre
13 section, which is the top of Page 87, which is PDF -- what's
14 the next page? PDS 50? PDF 50? You'll see in that section
15 -- and again, it's kind of hard for me -- but the NRA has
16 determined the treat the claims as automatic excess benefits.
17 Who at the NRA made a determination to treat the \$299,778.78
18 as excess benefits?

19 A It was -- it was made by the -- by our outside tax
20 counsel that was working this issue, along with our, I
21 believe, the -- our -- our other attorneys that were working
22 this whole compliance issue.

23 Q Let's take a look --

24 A Wait a minute.

25 Q I'm sorry.

1 A No, I'm sorry. Go ahead.

2 Q Take a look at the excess benefits transactions for Woody
3 Phillips. I'm sorry, I'm looking -- I'm sorry, you'll see
4 it's Wilson Phillips, not Woody Phillips. That's 1(f) below
5 you.

6 A I do.

7 Q Okay. Do you know if anyone looked at Mr. Wilson
8 Phillips -- let me go back. Mr. Wilson Phillips was the CFO
9 and the treasurer, right?

10 A Yes, that's correct.

11 Q All right. Do you know if -- and he left at the end of
12 2018, correct?

13 A Yes, that's correct. At the end of 2018.

14 Q Do you know if anyone looked at Mr. Phillips' expense
15 reports or credit card charges to determine if there were
16 excess benefits paid to him?

17 A I -- I don't. I believe our -- I believe our -- I'm
18 sorry, I -- I don't.

19 Q With respect to the excess benefit transactions with
20 Lieutenant Colonel North, there's a long discussion about
21 Lieutenant Colonel North payments. Do you know where the
22 text for that came from? Do you see where I'm pointing to?

23 A I do.

24 Q All right. Do you know where the text that is set forth
25 there concerning excess benefit transactions of Mr. North

1 came from?

2 A I believe it came, again, from the attorneys that are
3 working the whole compliance/self-correction issue for the
4 NRA, who have been working on it since I started that in
5 2017.

6 Q Okay. Take a look at Mr. Joseph De Bergalis, which is
7 the next one. And you'll see it says there, "The NRA is
8 currently reviewing whether Mr. De Bergalis may have used
9 business class travel without authorization."

10 Do you see that?

11 A I do.

12 Q All right. And with respect to Mr. De Bergalis, it says
13 there is -- do you know who's doing that evaluation?

14 A I -- it's being done by the attorneys that are working
15 the self-compliance -- the compliance issues for the NRA in
16 terms of self-correcting anything that is not in compliance
17 with New York nonprofit law. And I believe the people in our
18 treasurer's office were also working on this.

19 Q When you say you believe people in your treasurer's
20 office were working on Mr. De Bergalis --

21 A I think Craig Spray was working on this.

22 Q On Mr. De Bergalis?

23 A Yes, I do.

24 Q Okay. But he wasn't working on Oliver North?

25 A I don't know that he was working on Oliver North.

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1 Q Okay. Why do you believe he was working on the De
2 Bergalis expense?

3 A I believe he mentioned it to me.

4 Q Okay. All right. So, you said several times that
5 outside counsel worked on several of these areas. So let's
6 go back to Mr. Cox. What outside counsel worked on
7 calculating the amounts due for Mr. Cox?

8 A I don't know exactly. I think there are -- I know there
9 are attorneys with the Brewer firm that have been working on
10 that whole issue involving Mr. Cox. They may be working with
11 other counsel, too.

12 Q And again, the person that determined that he got in
13 excess of \$1 million were the Brewer firm?

14 MR. GARMAN: Objection, Your Honor.

15 THE WITNESS: Well, --

16 MR. GARMAN: Misstates his testimony.

17 THE COURT: Sustained. Why don't you restate your
18 question.

19 MR. SHEEHAN: You'll see -- let me go -- I'm sorry,
20 Your Honor.

21 THE COURT: Restate your question, Mr. Sheehan.

22 MR. SHEEHAN: Okay.

23 BY MR. SHEEHAN:

24 Q You'll see under the Christopher Cox section it says that
25 "The aggregate excess benefit from 2015 to June 26, 2019

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1 determined to be provided to Mr. Cox was in excess of \$1
2 million." And what I'm asking you is, did the Brewer firm
3 make that determination?

4 A I know that this is an issue that the Brewer firm has
5 been working on, and I believe that they probably made that
6 determination. They may have worked with other outside tax
7 counsel also.

8 Q So nobody in -- who is an officer of the NRA made that
9 determination; is that correct?

10 A No, this is part of the -- the -- either litigation or --
11 or -- that's going on with Mr. Cox right now.

12 Q Well, let's go back a second. You submitted a form to
13 the IRS and to New York State which represented that the NRA
14 had determined that he owed in excess of \$1 million. So I'm
15 asking you to name the person at the NRA who made that
16 determination.

17 MR. GARMAN: So, Your Honor, I'd like to renew my
18 foundation objection. I believe that Counsel has not
19 accurately represented what is attested to this. And I would
20 note for the record that this was a 30(b)(6) topic for which
21 we designated the CFO, not Mr. LaPierre, and I believe that
22 was misunderstood in our previous discussion.

23 THE COURT: Response, Mr. Sheehan?

24 MR. SHEEHAN: Your Honor, the 30(b)(6) is an
25 entirely different issue. In that, the 30(b)(6) witness said

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1 she couldn't say. What we're focused on is a document that
2 Mr. LaPierre signed which says the -- there's a determination
3 by the organization filing this document that there was in
4 excess of a million dollars paid improperly.

5 THE COURT: Uh-huh. I --

6 MR. SHEEHAN: So what I'm trying to get at is the
7 person who -- at the NRA who made that decision.

8 THE COURT: Overrule the objection.

9 THE WITNESS: I believe it was made by the legal
10 counsel at the Brewer firm that's working this issue. I
11 think they discussed it with John Frazer, our general
12 counsel, also. And may have discussed it with our
13 treasurer's office.

14 BY MR. SHEEHAN:

15 Q Do you allow outside law firms to make determinations for
16 the NRA that are in filings with the federal government?

17 A Well, that's why I said our general counsel's office has
18 looked at this also.

19 Q How do you know that?

20 A Because I -- I've discussed this form with, I believe,
21 Mr. Frazer.

22 Q Isn't it true that all of -- all of these statements
23 which are contained in Schedule L, Part 5 of the Exhibit 8
24 were not -- were not shown to the board before this document
25 was filed?

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1 A I believe that's correct.

2 Q And isn't it true that all the statements that are
3 contained in Part 5 of the 990 Schedule L were not shown to
4 the Audit Committee before they were filed?

5 A I don't -- I don't know the answer to that, whether they
6 were shown to the Audit Committee or not.

7 Q Isn't it true that your outside audit firm which
8 presented the 990s, draft 990s, to the Audit Committee never
9 saw this version of Schedule L of the 990?

10 A I don't -- I don't know the answer to that, whether they
11 did or didn't.

12 Q Okay. Did you discuss the 990 with the Aronson firm?

13 A I did not.

14 Q Now, the flights that were the subject of the excess
15 benefit transaction payments to you, were they all the
16 flights that you took that year?

17 A Yes, they were.

18 Q I'm sorry. Were they all the flights -- they're all the
19 flights that -- let rephrase that. The flights are between
20 2015 and 2019. Is it your belief that it includes -- that
21 all the flights for those four years were you?

22 A That is my belief.

23 MR. GARMAN: Objection. Vague and ambiguous.

24 BY MR. SHEEHAN:

25 Q And who did that review of the flights that you --

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1 THE COURT: Hold on. Hold on just a second.

2 MR. SHEEHAN: I'm sorry.

3 THE COURT: Why don't you restate that question so
4 the witness can answer it.

5 MR. SHEEHAN: Okay. Let me try to do a better job,
6 Your Honor.

7 THE COURT: Okay.

8 BY MR. SHEEHAN:

9 Q The benefits, the excess benefits that were determined
10 for you in Schedule L, Part 5, of \$300,000 for flights, did
11 the review of your flights include all the flights that you
12 took during that time period?

13 A Yes, I believe they did.

14 Q Did it include flights taken by your niece?

15 A Yes.

16 Q By herself?

17 A Yes.

18 Q How do you know that?

19 A Because they were -- they were listed in -- in the
20 spreadsheets.

21 Q And did you talk to anybody about the spreadsheets and
22 what was accurate and what wasn't?

23 A Yes. I --

24 MR. GARMAN: Objection. Objection, both to
25 foundation, as to vague and ambiguous as to spreadsheets.

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1 MR. SHEEHAN: All right. Fair enough. I'm sorry,
2 Your Honor. Let me rephrase the question.

3 BY MR. SHEEHAN:

4 Q You looked at a spreadsheet concerning your excess
5 payments. Isn't that correct, Mr. LaPierre?

6 A Yes.

7 Q And then somebody made a determination of how much you
8 had to pay back?

9 A Outside tax counsel made that determination.

10 Q And who was that?

11 A I believe the -- it was -- Don Lan worked on it with his
12 firm, and there was a Chaney (phonetic) firm that worked on
13 it, and -- and I believe the -- some folks with the Brewer
14 firm worked on it, too.

15 Q Apart from you, did anyone else review the spreadsheet
16 prepared by outside counsel to determine if you were -- let
17 me start again. Apart from you and the outside counsel, did
18 anyone at the NRA determine that that was the correct number
19 for you to repay?

20 A Well, all the lawyers were looking at it, and that's --
21 they determined that was the amount. I -- I didn't get
22 involved at all in the amount. All I did was go through the
23 flights and what the purpose was.

24 Q So the NRA's determination that you owed \$300,000 was
25 entirely the outside lawyers' determination; is that correct?

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1 MR. GARMAN: Objection. Your Honor, I -- I'm going
2 to withdraw the objection.

3 THE COURT: You may answer.

4 THE WITNESS: The professionals that were working on
5 this issue for the NRA, it was their determination.

6 BY MR. SHEEHAN:

7 Q The outside professionals who were attorneys; is that
8 correct?

9 A That's correct.

10 Q And no one on the board, no one in the other officers,
11 had any role in determining the amount of money that you were
12 required to pay back to the NRA. Is that correct?

13 A No, other than I -- the outside attorneys, the, you know,
14 the Brewer firm folks, and I believe our general counsel's
15 office. Those were the attorneys working on that issue.

16 Q Right, but who at the NRA made the determination that the
17 proper amount for Wayne LaPierre to pay back in excess
18 benefits that he received was \$300,000?

19 A I believe that was by outside tax counsel, working with
20 our -- our general counsel's office, and probably with our,
21 I'm not sure, but with our treasurer's office also.

22 Q Would you agree with me that when the CEO of a nonprofit
23 organization is found to have received \$300,000 in excess
24 benefits, that the board should be advised in order to make
25 -- exercise a governance function?

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1 A Well, I think they were advised when NRA filed a 990 form
2 and -- and it -- that showed it there. I wasn't aware that
3 these were excess benefits until it became clear in the 360
4 review that they were, and then I immediately offered to pay
5 it.

6 Q But let's go back, Mr. LaPierre. The board oversees you,
7 correct?

8 A Yes. I work for them.

9 Q You work for the board?

10 A Yes.

11 Q If you had an employee who had gotten \$300,000 in
12 payments from an organization you supervised, wouldn't you
13 want to know about it?

14 A Well, I believe they do know about it as a result of
15 reading this form, --

16 Q But you --

17 A -- which is made available to the board.

18 Q Did you tell the board that you had gotten \$300,000 in
19 excess payments?

20 A I didn't know until it -- it came to my attention during
21 the investigation that NRA was doing on all employees,
22 including me, that I had received excess benefits. And then
23 when I -- the minute I found out I did, I offered to repay
24 it, --

25 Q Do you --

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1 A -- which I did.

2 Q Would you recognize, Mr. -- I'm sorry, Mr. LaPierre.

3 Don't you believe you had a conflict of interest with the NRA
4 in determining the amount of excess benefits that you
5 received?

6 A I didn't make that determination --

7 MR. GARMAN: Hold on. Hold on. Objection.
8 Objection; misstates his testimony.

9 THE COURT: Do you want to restate that question?

10 BY MR. SHEEHAN:

11 Q Would you agree with me that a person who is being
12 requested to pay back money to the NRA is in a conflict of
13 interest position with the NRA?

14 A Well, I don't -- I don't know. I mean, NRA determined
15 that I had received excess benefits, and the attorneys
16 working the issue -- and the minute it was brought to my
17 attention, I offered to pay it. So I don't know whether that
18 puts me in conflict with the NRA or simply an employee doing
19 the right thing when he finds out that -- becomes aware of
20 something and wants to fix it and immediately offers to fix
21 it, which is what I did.

22 I mean, that was the whole idea of doing this 360 review,
23 was to --

24 MR. SHEEHAN: Move to strike, Your Honor.

25 THE COURT: The first part of the answer stays.

1 Just the last part will be struck.

2 BY MR. SHEEHAN:

3 Q Let's --

4 MR. SHEEHAN: Your Honor, I will be moving to
5 another topic at this point. And I'm happy to do that, but
6 it may make sense to call it a day at 5:53.

7 THE COURT: You're at a -- you think you're at a
8 logical stopping point? All right.

9 MR. SHEEHAN: That makes sense to me, Your Honor.

10 THE COURT: All right. Mr. LaPierre, overnight,
11 you're instructed not to speak with anyone about your
12 testimony. Do you understand that?

13 THE WITNESS: Yes, sir, Your Honor.

14 THE COURT: Okay. And Mr. Mason and Mr. Garman, we
15 have your discovery -- not discovery issue, but deposition
16 issue I think that we need to take up tomorrow morning, as I
17 understand it. I have flexibility, though. It doesn't
18 necessarily have to go at 9:00. But what are y'all's
19 thoughts on that?

20 MR. GARMAN: Your Honor, this is Greg Garman. I'll
21 be honest. Since we've been in trial today, I don't know if
22 a response has been filed by Mr. Mason. If there is, I'm
23 happy to go whatever the Court deems appropriate.

24 THE COURT: I've gotten a signal that it has been
25 filed. I certainly haven't seen it because I've been in here

1 with you.

2 Would it make some sense to do it at 1:30 instead of at
3 9:00, so that we would be able to -- at 1:15 instead of 9:00,
4 just so we'd be able to all attend it and --

5 MR. MASON: That's great, Your Honor. Whatever Your
6 Honor prefers.

7 THE COURT: Okay. I assume we'll be still with this
8 witness for a while.

9 MR. GARMAN: Your Honor, they're both the same to
10 me, because --

11 THE COURT: Okay. All right. So we won't take that
12 up first thing tomorrow morning. My intentions would be to
13 take it up probably at 1:15, when we start back in the
14 afternoon session. And I'm asking you that because I just
15 want to make sure it doesn't become an issue tomorrow
16 morning.

17 All right. My trusty and relied-upon law clerks wanted
18 me to make this point, not to the lawyers, but we've had an
19 issue this afternoon, at least it was brought to my
20 attention, that someone is trying to record or stream these
21 proceedings. I think I mentioned to everyone before the
22 trial had started that we've been contacted by a news agency
23 to do the same and we pointed out to them that that's not
24 possible to do, so we made an arrangement to put our
25 proceedings on our court's docket twice a day so that people

1 could have access to the audio. We release the audio. You
2 may not record or broadcast the audio or visuals from this
3 trial. To the extent that you do record or broadcast the
4 audio or visual, the Court reserves its abilities to impose
5 sanctions for doing that.

6 Anything further?

7 MR. SHEEHAN: No, Your Honor.

8 MR. GARMAN: Yes, Your Honor. Greg Garman. Your
9 Honor, if they're -- if the NRA is expected to produce a
10 witness after Mr. LaPierre tomorrow, I will need to know who
11 it is so that I can make arrangements.

12 THE COURT: All right. If you y'all could talk
13 about that --

14 MR. SHEEHAN: I would --

15 THE COURT: Yes. Go ahead. Go ahead.

16 MR. SHEEHAN: We will let them know this after --
17 this evening. We'll just have a conversation with them. We
18 have to talk among our team.

19 THE COURT: All right. From my standpoint, we moved
20 along pretty well today. I'd like for us to keep moving
21 along, though, to switching the case over to the NRA. You
22 know, I don't know necessarily that's going to happen
23 tomorrow from the pace that we're on, but everybody continue
24 their good work on streamlining things so that we stay pretty
25 much on schedule.

We'll be in recess until 9:00 o'clock tomorrow morning.

(Proceedings concluded at 5:57 p.m.)

--oOo--

CERTIFICATE

I certify that the foregoing is a correct transcript from
the electronic sound recording of the proceedings in the
above-entitled matter.

/s/ Kathy Rehling

04/08/2021

Kathy Rehling, CETD-444
Certified Electronic Court Transcriber

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